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4933i-ne

November 20, 2026

Company name: I-ne Co., Ltd
Name of representative: Yohei Onishi, Representative Director, President and CEO
(Securities code: 4933; Tokyo Stock Exchange Prime Market)
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Notice Regarding Expression of Opinion in Support of a Management Buyout and Neutral Position as to Tendering Shares

I-ne Co., Ltd. (the "Company") hereby announces that, at a meeting of its Board of Directors held today, it resolved to express an opinion in support of a tender offer ("Tender Offer") for the Company's common shares ("Company Shares") and Share Options (defined in "2. Overview of Purchase etc." below; hereinafter the same) to be conducted by JAMBO Co., Ltd. ("Tender Offeror") as part of a so-called management buyout (MBO) (Note), and to take a neutral position as to whether the shareholders of the Company and holders of Share Options ("Share Option Holders") should tender their shares or share options in the Tender Offer and to leave that decision to the judgment of the Company's shareholders and Share Option Holders, as described below.

The above resolution of the Board of Directors was adopted on the premise that the Company Shares are expected to be delisted through the Tender Offer and the subsequent series of procedures.

(Note) A "management buyout (MBO)" refers to a transaction in which a tender offer is conducted by a tender offeror based on an agreement with officers of the target company and in which the tender offeror shares a common interest with such officers.

1. Overview of Tender Offeror

(1)	Name	JAMBO Co., Ltd.
(2)	Address	1-9-2 Marunouchi, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Makiko Nakata, Representative Director
(4)	Description of business	Acquisition and ownership of share certificates, etc. of the Company
(5)	Stated capital	1 yen
(6)	Date of incorporation	October 26, 2026
(7)	Principal shareholder and shareholding ratio	JAMBO Holdings K.K. 100%
(8)	Relationship between the Company and Tender Offeror	
	Capital relationship	Not applicable.

	Personnel relationship	Not applicable.
	Transactional relationship	Not applicable.
	Status as a related party	Not applicable.

2. Overview of Purchase etc.

Purpose of the tender offer	Delisting (management buyout (MBO))
Period for purchase etc.	From November 24, 2026 (Tuesday) through January 8, 2027 (Friday) (30 business days)
Prices for purchase etc.	(1) Common shares 2,248 yen per common share (the price for purchase, etc. per common share will be hereinafter referred to as the "Tender Offer Price") (2) Share options [i] 1 yen per share option issued pursuant to a resolution of the extraordinary general meeting of shareholders held on May 7, 2019 ("Series 3 Share Options") (exercise period: from May 9, 2021 to May 7, 2029) [ii] 1 yen per share option issued pursuant to a resolution of the meeting of the Board of Directors held on March 1, 2023 ("Series 5 Share Options") (exercise period: from March 16, 2024 to March 15, 2028) [iii] 1 yen per share option issued pursuant to a resolution of the meeting of the Board of Directors held on April 18, 2024 ("Series 6 Share Options") (exercise period: from May 9, 2025 to May 8, 2029) [iv] 1 yen per share option issued pursuant to a resolution of the meeting of the Board of Directors held on April 23, 2025 ("Series 7 Share Options") (exercise period: from May 14, 2026 to May 13, 2030) [v] 1 yen per share option issued pursuant to a resolution of the meeting of the Board of Directors held on July 3, 2025 ("Series 8 Share Options") (exercise period: from April 1, 2029 to July 30, 2035) (hereinafter, Series 3 Share Options, Series 5 Share Options, Series 6 Share Options, Series 7 Share Options, and Series 8 Share Options are collectively referred to as "Share Options", and prices for purchase etc. per Share Option are collectively referred to as "Share Option Purchase Prices")
Minimum number of shares to be purchased	― (Note 1)
Maximum number of shares to be purchased	―

(Note 1) In the Tender Offer, no maximum or minimum number of shares to be purchased has been set. Accordingly, Tender Offeror will purchase all of the share certificates, etc. tendered in the Tender Offer.

3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer

(1) Details of the Opinion

At the meeting of the Board of Directors held today, based on the basis and reasons described in "(2) Basis and Reasons for the Opinion" below, the Company resolved to express an opinion in support of the Tender Offer, and to take a neutral position as to whether the Company's shareholders and Share Option Holders should tender their shares or share options in the Tender Offer and to leave that decision to the judgment of the Company's shareholders and Share Option Holders.

The above Board of Directors resolution was adopted using the method described in "[vi] Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below.

(2) Basis and Reasons for the Opinion

In this "(2) Basis and Reasons for the Opinion" section, statements pertaining to Tender Offeror are based on explanations received from Tender Offeror.

[i] Overview of the Tender Offer

According to Tender Offeror, Tender Offeror is a *kabushiki kaisha* incorporated on October 26, 2026 for the primary purpose of acquiring and owning the Company's share certificates, etc., and as of today, all of its issued shares are

owned by JAMBO Holdings K.K. (“Tender Offeror Parent Company”). Tender Offeror Parent Company is a *kabushiki kaisha* incorporated on October 26, 2026 for the primary purpose of owning shares of Tender Offeror, and all of its issued shares are held by Integral Holdings K.K. (“Integral HD”). As of today, none of Tender Offeror, Tender Offeror Parent Company, Integral HD, Integral Group Corporation (“Integral Group”), which holds all of Integral HD’s issued shares, Integral Corporation, all of whose issued shares are owned by Integral Group (Integral HD, Integral Group and Integral Corporation are hereinafter referred to, individually or collectively, as “Integral”), and Integral Group’s subsidiaries and affiliates and other legal entities relating to the investment in Tender Offeror (together with Integral, “Integral Company Group”) owns any of the Company Shares.

Integral is an equity investment firm that invests primarily in listed companies and private companies in Japan. The name “Integral” signifies “integration” and “accumulation” and the firm’s philosophy is to engage in equity investment with a long-term vision of building relationships of trust with its portfolio companies and implementing a series of initiatives that contribute to the sustainable enhancement of corporate value. Its policy is to have the same objectives and time horizon as the management of its portfolio companies, respect their business policies and provide optimal support to the management from both managerial and financial aspects in order to maximize their corporate value. Since its foundation in September 2007, Integral has built a track record of a total of 40 investments to date, including QB Net Holdings Co., Ltd., Skymark Airlines Inc., Shinoken Group Co., Ltd., Daiohs Corporation, Asahi Kasei Medical Co., Ltd., and Golf Digest Online Inc., and has provided managerial and financial support aimed at enhancing their corporate value. Rather than pursuing short-term profits solely through cost-cutting and measures for improving operational efficiency, Integral makes long-term investments and allocates resources with the aim of achieving sustained business growth and development. As an independent Japanese investment firm with a team of professionals having experience in and expert knowledge of M&A and corporate management, Integral has a strong understanding of, and respect for, the characteristics of management of Japanese companies and is fully committed to supporting its portfolio companies in implementing growth strategies that give top priority to enhancing their corporate value.

Tender Offeror decided today to conduct the Tender Offer as part of a series of transactions for acquiring all the Company Shares listed on the Tokyo Stock Exchange, Inc.’s (“TSE”) Prime Market (“TSE Prime Market”) (including the Company Shares to be delivered by the exercise of Share Options, but excluding the Non-Tendered Shares (defined below) and treasury shares held by the Company) and Share Options, and delisting the Company Shares (“Transaction”). The Transaction constitutes a so-called management buyout (MBO), and Mr. Yohei Onishi, representative director, president and CEO and the second-largest shareholder of the Company (number of shares owned: 2,600,400 shares (Note 2); ownership ratio (Note 3): 14.54%; “Mr. Onishi”), is expected to continue to manage the Company as representative director, president and CEO after the Transaction. With regard to Mr. Onishi’s continued involvement in the Company’s management following the Transaction, the Company intends to re-evaluate his suitability as a director upon deliberation at the Nomination and Remuneration Committee planned to be held in December 2026 based on the requirements for officer candidates established as part of the measures to prevent recurrence as well as the results of a third-party assessment conducted by an external professional firm.

(Note 2) The number shown represents the number of shares held by Mr. Onishi as of today (2,668,600 shares) *minus* the number of shares (68,200 shares) subject to the remaining Transfer Option Rights (as defined below) as of today. The same applies hereinafter to the number of shares held by Mr. Onishi and the Non-Tendering Shareholders. Mr. Onishi has granted transfer options for the Company Shares (the “Transfer Options”) to the Company’s employees (the “Transfer Option Holders”) pursuant to the Transfer Option Agreement dated April 25, 2019 (the “Transfer Option Agreement”), which provides that the Transfer Option Holders may request Mr. Onishi, by exercising the Transfer Option, to transfer a portion of the Company Shares held by Mr. Onishi to the Transfer Option Holders at a certain price. All Transfer Options remaining as of today are exercisable.

(Note 3) “Ownership ratio” refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of ownership ratios) to the number of shares (17,888,369 shares; “Reference Number of Shares”) obtained by subtracting the number of treasury shares held by the Company as of September 30, 2026 (241 shares) from the sum of (i) the number of issued shares of the Company as of September 30, 2026 (17,797,210 shares) set forth in the “Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese GAAP)” (the “Company Financial Results”) published by the Company on November 11, 2026 and (ii) the number of the Company Shares (91,400 shares) underlying the 6,080 Share Options (Note 3) that remain outstanding and exercisable as of September 30, 2026.

(Note 4) The breakdown of Share Options that remained outstanding and exercisable as of September 30, 2026 is as follows.

Share Options	Quantity	Number of underlying Company Shares
Series 3 Share Options	340	34,000 shares
Series 5 Share Options	853	8,530 shares
Series 6 Share Options	3,032	30,320 shares
Series 7 Share Options	1,855	18,550 shares

Share Options	Quantity	Number of underlying Company Shares
Total	6,080	91,400 shares

Further, Tender Offeror executed with Mr. Onishi and COH Co., Ltd., an asset management company of Mr. Onishi's that is a major shareholder and the largest shareholder of the Company (number of shares owned: 7,430,000 shares; ownership ratio: 41.54%; "COH", and collectively with Mr. Onishi, "Non-Tendering Shareholders"), a non-tendering agreement ("Non-Tendering Agreement") dated today, under which it was agreed that (i) none of the Company Shares owned by the Non-Tendering Shareholders (10,030,400 shares in total; combined ownership ratio: 56.07%; "Non-Tendered Shares") will be tendered in the Tender Offer, and (ii) if the Tender Offer is completed successfully, at an extraordinary general meeting of shareholders of the Company ("Extraordinary General Shareholders Meeting"), the Non-Tendering Shareholders will support all proposals pertaining to a series of procedures for making Tender Offeror and the Non-Tendering Shareholders the sole shareholders of the Company and delisting the Company Shares ("Squeeze-out Procedures").

For details of the Non-Tendering Agreement and the Management Services Agreement (as defined in "(ii) Post-Tender Offer Managerial Policy" in "[ii] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" below), please refer to "(6) Important Agreements Relating to the Tender Offer" below.

The Transaction consists of [i] the Tender Offer by Tender Offeror; [ii] if, following the successful completion of the Tender Offer, Tender Offeror is unable to acquire all of the Company Shares (including Company Shares to be delivered by the exercise of Share Options, but excluding treasury shares held by the Company and the Non-Tendered Shares) through the Tender Offer, a consolidation of the Company Shares pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") to be carried out by the Company as the Squeeze-Out Procedures, which are a series of procedures to ensure that the shareholders of the Company consist solely of Tender Offeror and the Non-Tendering Shareholders (Note 5); [iii] a stock split to adjust the number of shares and an acquisition (the "Share Repurchase") of the Shares Subject to the Share Repurchase (as defined below), which the Company is to implement subject to the Share Consolidation (as defined below; the same applies hereinafter) taking effect ; and [iv] a capital contribution (the "Capital Contribution") to be made by Tender Offeror to the Company as necessary to secure the funds required to carry out the Share Repurchase, and through these steps, Tender Offeror intends ultimately to make itself and the Non-Tendering Shareholders the only shareholders of the Company. Mr. Onishi is expected to continue managing the Company as representative director, president, and CEO following the completion of the Transaction, and in order to share a common objective of enhancing corporate value, the Non-Tendering Shareholders are considering indirectly owning an equity interest in Tender Offeror following the Transaction. COH is the asset management company of Mr. Onishi, in which Mr. Onishi holds 100% of the voting rights and serves as the representative director, owns Company Shares as the largest shareholder of the Company, and as of today, is involved in the Company through the exercise of its voting rights at the general shareholders meetings of the Company. Since COH is the asset management company of Mr. Onishi, in which Mr. Onishi holds 100% of the voting rights and serves as the representative director, and has the shared goal of enhancing the corporate value together with Mr. Onishi, who will continue to manage the Company as the representative director, president and CEO, COH is considering indirectly owning shares of Tender Offeror following the Transaction. To this end, Tender Offeror and the Non-Tendering Shareholders plans to carry out a triangular share exchange (the "Triangular Share Exchange") in which the Non-Tendering Shareholders will transfer their Company Shares to Tender Offeror and, in exchange, receive common shares of Tender Offeror Parent Company (specifically, Tender Offeror will be the wholly owning parent company in the share exchange, the Company will be the wholly owned subsidiary in the share exchange, and the consideration for the share exchange, which will consist of shares in Tender Offeror Parent Company, will be delivered to the Non-Tendering Shareholders, who will be shareholders of the Company at the time of the consummation of the share exchange) after the completion of the Share Repurchase, thereupon the Non-Tendering Shareholders will become shareholders of Tender Offeror Parent Company (as of today, details such as the timing of the Triangular Share Exchange have not been determined, and are to be considered after the successful completion of the Tender Offer and decided through discussion with the Company). For details of the Share Consolidation, please refer to "(4) Post-Tender Offer Reorganization Policy" below.

(Note 5) As described in "(4) Post-Tender Offer Reorganization Policy" below, if, after the consolidation of the Company Shares following the successful completion of the Tender Offer (the "First Share Consolidation") takes effect, there exists a shareholder (other than Tender Offeror and COH) that holds a number of Company Shares exceeding the number of Company Shares held by Tender Offeror or Mr. Onishi (the "Majority Shareholder"), then, after the Company has been granted an exemption from the obligation to file an annual securities report, Tender Offeror and the Non-Tendering Shareholders plan to perform, as part of the Squeeze-Out Procedures, procedures to ensure that the shareholders of the Company consist solely of Tender Offeror and the Non-Tendering Shareholders, including a further consolidation of the Company Shares (the "Second Share Consolidation", and together with the First Share Consolidation, the "Share Consolidation") following the Share Lending [ii] (as defined below). Depending on the number of Company Shares tendered in the Tender Offer, there is a possibility that COH or the Non-Tendering

Shareholders will be the sole shareholders of the Company through the First Share Consolidation, and Tender Offeror will purchase the Total Number of Fractional Shares (defined in "(4) Post-Tender Offer Reorganization Policy" below; hereinafter the same).

In addition, COH has agreed in the Non-Tendering Agreement to sell a portion of the Company Shares it holds (the "Shares Subject to the Share Repurchase") in the Share Repurchase so that the aggregate voting rights ratio of the Non-Tendering Shareholders in Tender Offeror Parent Company will be 49% as a result of the Transaction, and the consideration for the Share Repurchase is planned to be 1,550 yen per Company Share held by COH (the "Share Repurchase Price"). Tender Offeror plans to consummate or to cause the Company to consummate the Capital Contribution as necessary for the purpose of securing the funds necessary to carry out the Share Repurchase. Assuming that the Company does not engage in actions, such as a share consolidation or share split, that would necessitate an adjustment to the consideration payable, Tender Offeror intends to make the Capital Contribution at a subscription price calculated so as to be the same as the Tender Offer Price. Since the Share Repurchase Price is set so that after-tax proceeds, which may be obtained if COH complies with the Share Repurchase, are the same or lower than the after-tax proceeds if COH tender their shares in the Tender Offer, taking into account the application to COH of the regulation for excluding deemed dividend from gross revenue set forth in the Corporation Tax Act (Act No. 34 of 1965, as amended), it is considered that this does not conflict with the purpose of the regulation on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act (Act no. 25 of 1948, as amended; the "FIEA"). After the Share Repurchase and the prior to the consummation of the Triangular Share Exchange, COH is expected to underwrite corporate bonds (the "Bonds") to be issued by Tender Offeror Parent Company pursuant to a total underwriting agreement (the "Total Underwriting Agreement") entered into between Tender Offeror Parent Company and COH for the purpose of optimizing the capital structure following the Transaction and other purposes. With respect to the Bonds, the terms and conditions have been set at a level comparable to those that would be established for similar bond underwritings between independent parties, and as it does not confer upon COH any economic benefit separate from the consideration received for tendering its shares in the Tender Offer, it is considered not to conflict with the intent of the regulations requiring uniformity in tender offer pricing (Article 27-2, Paragraph 3 of the FIEA). In setting the exchange rate for the Triangular Share Exchange, in order not to conflict with the intent of the regulations requiring uniformity in tender offer pricing (Article 27-2, Paragraph 3 of the FIEA), Tender Offeror, assuming that the Company does not engage in actions, such as a share consolidation or share split, that would necessitate an adjustment to the consideration payable plans to calculate the value of Company Shares so as to be the same as the Tender Offer Price, and to set a share exchange rate that is not more favorable than the Tender Offer Price. In addition, Integral Partners Corporation ("Integral Partners"), a subsidiary of Integral Corporation, plans to provide a loan to COH (the "Loan") until around the time of delisting of the Company Shares for the purpose of securing the funds necessary to release the security interests established in the Company Shares held by COH to secure its obligations to financial institutions. The Loan is intended to be made under terms and conditions comparable to those that would be established for similar loans between independent parties, and it does not confer upon COH any economic benefit separate from the consideration received for tendering its shares in the Tender Offer, it is considered not to conflict with the intent of the regulations requiring uniformity in tender offer pricing (Article 27-2, Paragraph 3 of the FIEA).

As stated above, Tender Offeror aims to delist the Company Shares by acquiring all of the Company Shares (including Company Shares to be delivered by the exercise of Share Options but excluding treasury shares held by the Company and the Non-Tendered Shares); accordingly, Tender Offeror has not set a maximum number of shares to be purchased. In addition, Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer, and will purchase all of the share certificates, etc. tendered in the Tender Offer. The reason for this is that while a special resolution at a general meeting of shareholders, as stipulated in Article 309, Paragraph 2 of the Companies Act, is required to implement the Share Consolidation, Tender Offeror believes it can secure the number of voting rights necessary for the approval of the proposal for the Share Consolidation, and consequently, Tender Offeror determined that there is no need to set a minimum number of shares to be purchased, and in addition, by not setting such a minimum number, Tender Offeror believes it can provide the Company's shareholders who wish to sell their shares in the Tender Offer with a reliable opportunity to do so.

Tender Offeror's rationale for believing it can secure the necessary number of voting rights for the approval of the proposal relating to the Share Consolidation is as follows:

First, in calculating the number of voting rights required for the approval of the proposal relating to the Share Consolidation, Tender Offeror determined that it should refer to the voting rights exercise ratios at the past ordinary general meetings of shareholders of the Company, and specifically, considering that the economic and social environment surrounding the Company, as well as the composition of its shareholder base, may undergo certain changes, Tender Offeror concluded that a five-year look-back period is appropriate and sufficient for accurately gauging recent trends in how the Company's shareholders exercise their voting rights. Tender Offeror also determined that, for the purpose of estimating the voting rights required for the proposal relating to the Share Consolidation, it would be more conservative to use the maximum voting rights exercise ratio observed over those five years, rather than the average, and accordingly, Tender Offeror calculated the number of voting rights necessary to pass the special resolution for the Share Consolidation in reference to the ratio of 73.61% (Note 6) (rounded to the second decimal place; the same applies to all subsequent calculations of voting rights exercise ratios), which is the highest voting rights exercise ratio recorded by shareholders other than the Non-Tendering Shareholders at the ordinary general meetings of shareholders of

Company over the past five years. Specifically, the number of voting rights expected to be exercised at the Extraordinary General Shareholders Meeting (158,147 voting rights) was calculated to be the total number of voting rights held by shareholders other than the Non-Tendering Shareholders (78,579 voting rights), which is equal to the number of voting rights (178,883 voting rights) relating to the Reference Number of Shares (17,888,369 shares) *minus* the number of voting rights (100,304 voting rights) relating to the number of Non-Tendered Shares (10,030,400 shares), multiplied by the voting rights exercise ratio specified above (73.61%) (57,843 voting rights), *plus* the number of voting rights (100,304 voting rights) relating to the number of Non-Tendered Shares (10,030,400 shares). Tender Offeror then determined that the number obtained by multiplying such number of voting rights by two-thirds, which is the threshold required for a special resolution at a general meeting of shareholders (105,432 voting rights), is the number of voting rights required to approve and adopt the proposal relating to the Share Consolidation.

(Note 6) The voting rights exercise ratio, calculated by taking as the denominator the number obtained by deducting the number of voting rights held by the Non-Tendering Shareholders from the total number of voting rights of all shareholders as of the record date for the 19th Ordinary General Meeting of Shareholders stated in the 19th Annual Securities Report filed by the Company on May 15, 2026, and as the numerator the number obtained by deducting the number of voting rights exercised by the Non-Tendering Shareholders from the largest number of voting rights exercised on any proposal at the 19th Ordinary General Meeting of Shareholders held in March 2026, as stated in the extraordinary report filed by the Company on March 26, 2026, is equivalent to 44.88%. Calculating the voting rights exercise ratio in the same manner, the ratio is 69.99% for the 18th Ordinary General Meeting of Shareholders held in March 2025, 73.61% for the 17th Ordinary General Meeting of Shareholders held in March 2024, 64.96% for the 16th Ordinary General Meeting of Shareholders held in March 2023, and 73.00% for the 15th Ordinary General Meeting of Shareholders held in March 2022.

As indicated in the "Fair M&A Guidelines" formulated by the Ministry of Economy, Trade and Industry on June 28, 2019, which states that "as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms," Tender Offeror presumes that, among passive index funds (meaning funds that aim to secure a rate of return in line with the market average by being managed so that their investment performance tracks an index, such as a stock price index, that serves as the market benchmark for the assets invested in, including shares; the same applies hereinafter), there are funds that do not tender their shares in a tender offer in principle regardless of the appropriateness of the terms and conditions, but that exercise their voting rights in favor at a subsequent general meeting of shareholders relating to a squeeze-out. Accordingly, in the Tender Offer as well, Tender Offeror has come to conclude that if the sum of the number of voting rights in the Company held by Tender Offeror and the Non-Tendering Shareholders, *plus* the number of voting rights associated with the number of Company Shares held by passive index funds exceed the number of voting rights required for approving and adopting a special resolution for the Share Consolidation at a meeting of general shareholders, it is highly probable that the proposal relating to the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting.

As it is difficult to ascertain from public information the most recent aggregate number of Company Shares held by passive index funds, Tender Offeror estimates the number of Company Shares held by passive index funds as approximately 733,630 shares (ownership ratio: 4.10%) based on database information from multiple information vendors providing data services on financial markets and other matters (Bloomberg and FactSet) (although the number of Company Shares held by passive index funds may have changed between the date on which the information in those databases was obtained and today, Tender Offeror believes that any such change is minor, since the market on which the Company Shares are listed (the TSE Prime Market), which is a criterion for selecting constituent stocks in passive index management, has not changed).

As described above, there may be passive index funds that will not tender their shares in the Tender Offer but will exercise their voting rights in favor of the proposal relating to the Share Consolidation if such proposal is submitted to the Extraordinary General Shareholders Meeting after the successful completion of the Tender Offer. As the proposal relating to the Share Consolidation will be submitted subject to the implementation of the measures described in "(3) Measures for Ensuring the Fairness of the Tender Offer" below and the successful completion of a tender offer in support of which the Company has expressed its opinion, Tender Offeror has determined that passive index funds will also exercise their voting rights in favor.

In light of the above, as of today, the aggregate number the voting rights (107,640 voting rights) of the sum of the voting rights held by the Non-Tendering Shareholders (100,304 voting rights) and the voting rights relating to the number of Company Shares held by passive index funds (733,630 shares) (7,336 voting rights) exceeds the number of voting rights deemed necessary to secure the approval of a special resolution at the general meeting of shareholders for the Share Consolidation (105,432 voting rights), and consequently, Tender Offeror anticipates that the proposal relating to the Share Consolidation will be approved, and has therefore decided not to set a minimum number of shares to be purchased in the Tender Offer.

In the Tender Offer, as stated above, the minimum number of shares to be purchased has not been set at a number of shares that, together with the number of Non-Tendered Shares, would secure voting rights equal to two-thirds of the total number of voting rights of all shareholders of the Company, and accordingly, if, after the successful completion of the Tender Offer, the total number of voting rights in the Company held by Tender Offeror and the Non-Tendering

Shareholders is less than two-thirds of the total number of voting rights of all shareholders of the Company, it cannot theoretically be ruled out that the proposal relating to the Share Consolidation will not be approved at the Extraordinary General Shareholders Meeting.

However, even if such approval is not obtained, Tender Offeror's policy is ultimately to acquire all of the Company Shares (including Company Shares to be delivered by the exercise of Share Options, but excluding treasury shares held by the Company and the Non-Tendered Shares) and to delist the Company Shares, and Tender Offeror therefore intends to acquire additional Company Shares by means of a new tender offer, purchases on the market, or negotiated off-market acquisitions (limited in each case to methods permissible under applicable laws and regulations) until the proposal relating to the Share Consolidation reaches a level at which it can realistically be approved at a general meeting shareholders of the Company, taking into account, among other things, the status of tenders in the Tender Offer, the then shareholding structure and characteristics of shareholders of the Company, trends in the market share price, and the ratio of exercise of voting rights at the Extraordinary General Shareholders Meeting, with the aim of delisting the Company Shares. With respect to such additional acquisition, Tender Offeror's policy is to acquire the Company Shares at the same price (2,248 yen) as the Tender Offer Price, unless the Company takes any action requiring adjustment of the consideration payable, such as a share consolidation or a stock split. The specific timing and method of such additional acquisition as well as the period required until the proposal relating to the Share Consolidation is subsequently approved at a general meeting of shareholders cannot be determined at this time as they depend on circumstances such as market conditions; however, Tender Offeror intends to use its best efforts to cause the Share Consolidation to be implemented as promptly as practicable.

In addition, if it cannot reasonably be ruled out that a Majority Shareholder will emerge on the day immediately preceding the effective date of the First Share Consolidation, then, in order to avoid to the extent possible the existence of any shareholder of the Company other than Tender Offeror and the Non-Tendering Shareholders after the First Share Consolidation and to enhance the stability of the Squeeze-Out Procedures, COH or Mr. Onishi plans, at the request of Tender Offeror, to implement a share lending transaction ("Share Lending [i]") under which COH or Mr. Onishi, effective as of a time immediately prior to the First Share Consolidation taking effect, lends a portion of the Company Shares they hold to Mr. Onishi or COH, respectively. Furthermore, if a Majority Shareholder exists after the First Share Consolidation takes effect, then, after the Company has been granted an exemption from the obligation to file an annual securities report, Tender Offeror and the Non-Tendering Shareholders plan to perform, as part of the Squeeze-Out Procedures, procedures to ensure that the shareholders of the Company consist solely of Tender Offeror and the Non-Tendering Shareholders, including implementation of the Second Share Consolidation following a share lending transaction ("Share Lending [ii]"; together with Share Lending [i], the "Share Lending", individually or collectively) under which either COH or Mr. Onishi, effective as of a time immediately prior to the Second Share Consolidation taking effect, lends a portion of the Company Shares it holds to Tender Offeror. Depending on the number of Company Shares tendered in the Tender Offer, there is a possibility that COH or the Non-Tendering Shareholders will be the sole shareholders of the Company through the First Share Consolidation, and Tender Offeror will purchase the Total Number of Fractional Shares.

If the Share Lending takes place, then, at the request of Tender Offeror, the person that lent the Company Shares under the Share Lending will terminate the Share Lending, and the person that borrowed the Company Shares under the Share Lending will return to the lender a number of Company Shares having a value equivalent to the Company Shares subject to the Share Lending (hereinafter, the return of the Company Shares subject to the Share Lending [i] is referred to as "Share Lending Return [i]", the return of the Company Shares subject to the Share Lending [ii] is referred to as "Share Lending Return [ii]", and these are referred to individually or collectively as the "Share Lending Return"). At the request of Tender Offeror, the Company plans to perform a stock split at a ratio equal to the reciprocal of the consolidation ratio applied in the First Share Consolidation prior to the Share Lending Return [i] which is to take place after the First Share Consolidation and, if the Second Share Consolidation is implemented, the Company plans to perform a stock split of the Company Shares at a ratio equal to the reciprocal of the consolidation ratio applied in the Second Share Consolidation prior to the Share Lending Return [ii] which is to take place after the Second Share Consolidation. With respect to the Share Lending [i], which is to take place before the exemption from the obligation to file an annual securities report is granted, the terms and conditions such as the lending fee have not been determined as of today. However, even if the Share Lending were to constitute an acquisition for consideration, Mr. Onishi, who is the representative director of COH and holds a majority of the voting rights of COH, has continuously been a formal specially related party (*keishikiteki tokubetsu kankeisha*) of COH as defined in Article 27-2, Paragraph 7, Item 1 of the FIEA and Article 9, Paragraph 2, Items 1 and 3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Enforcement Order") for at least one year prior to the date of execution of the agreement concerning the Share Lending that sets the terms and conditions such as the lending fee, and accordingly, the Share Lending [i] will constitute an "exempted purchase, etc." (*tekiyo jogai kaitsuke-tō*) as provided in the proviso of Article 27-2, Paragraph 1 of the FIEA.

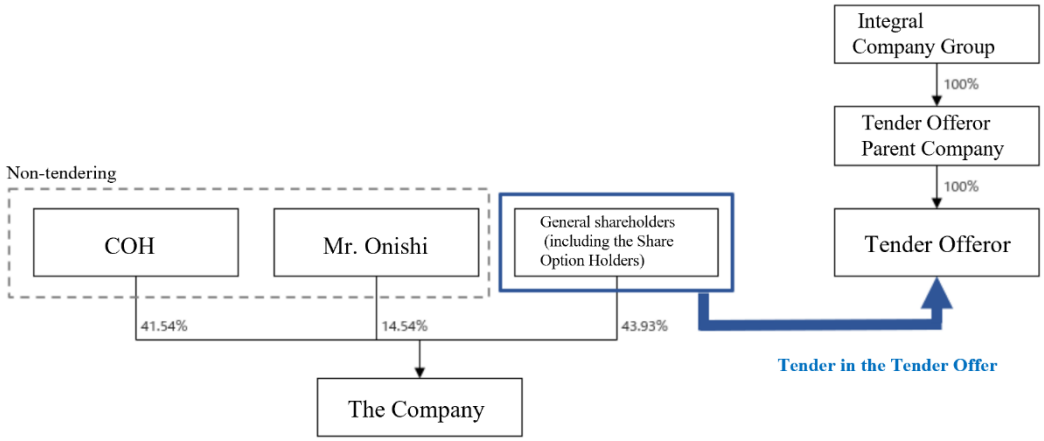
The outline of the Transaction as currently proposed is generally as follows:

I. Prior to commencement of the Tender Offer (as of today)

As of today, Tender Offeror does not own any Company Shares, while COH owns 7,430,000 shares (ownership ratio:41.54%), Mr. Onishi owns 2,600,400 shares (ownership ratio: 14.54%), and other shareholders own 7,857,969

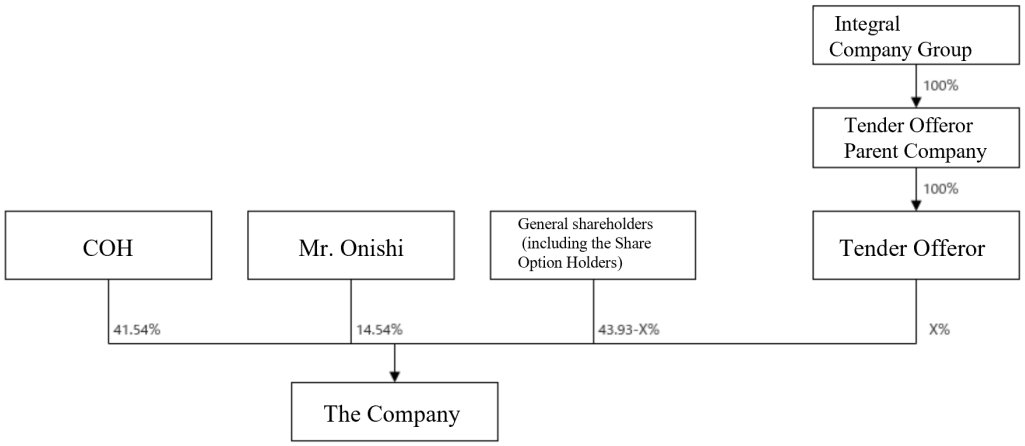
shares (ownership ratio: 43.93% (Note 7)).

(Note 7) The number of shares subject to the Transfer Options as of today (68,200 shares) is included.



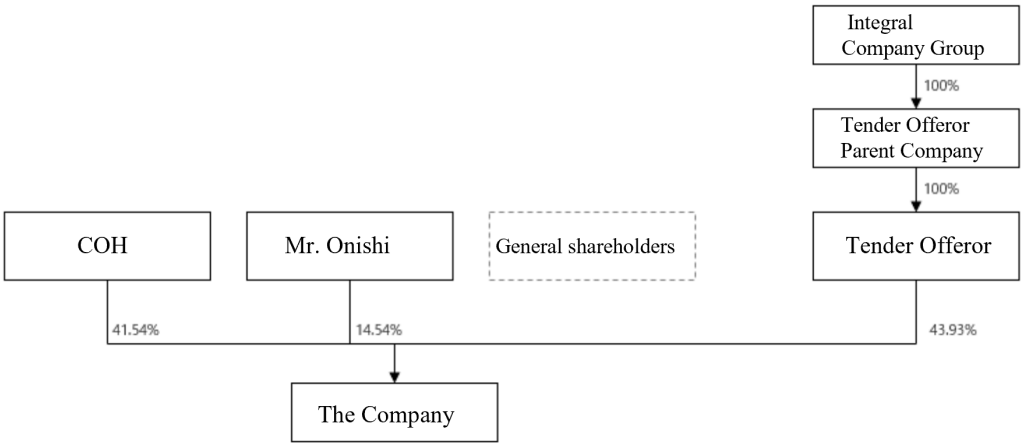
II. After successful completion of the Tender Offer (early January 2027)

Tender Offeror conducts the Tender Offer.



III. After the Share Consolidation (late March to mid-April 2027) (planned)

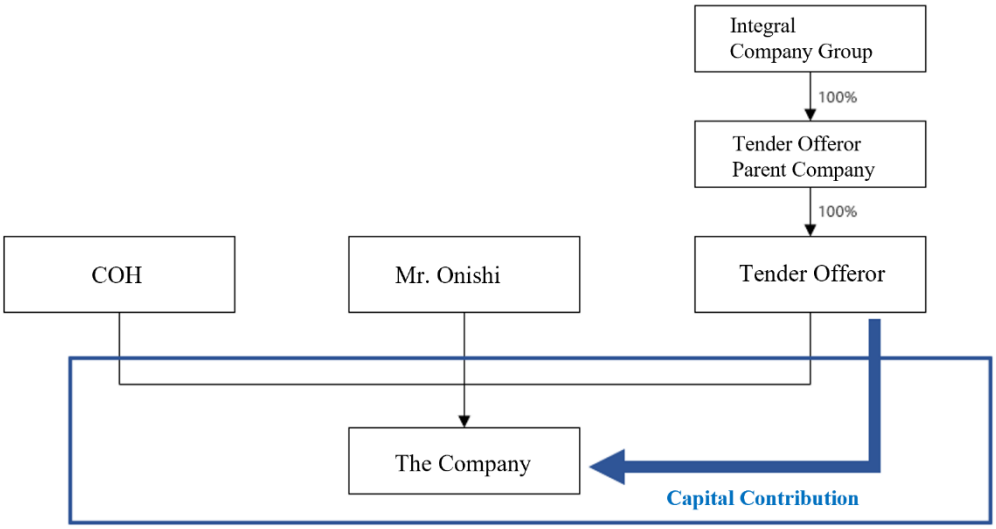
If Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including Company Shares to be delivered by the exercise of the Share Options but excluding the Non-Tendered Shares and treasury shares held by the Company), Tender Offeror will request that the Company perform the Share Consolidation procedures. The Company will implement the Share Consolidation, whereupon Tender Offeror and the Non-Tendering Shareholders will be the only shareholders of the Company, and the Company Shares will be delisted.



IV. After the Capital Contribution (late April to mid-May 2027) (planned)

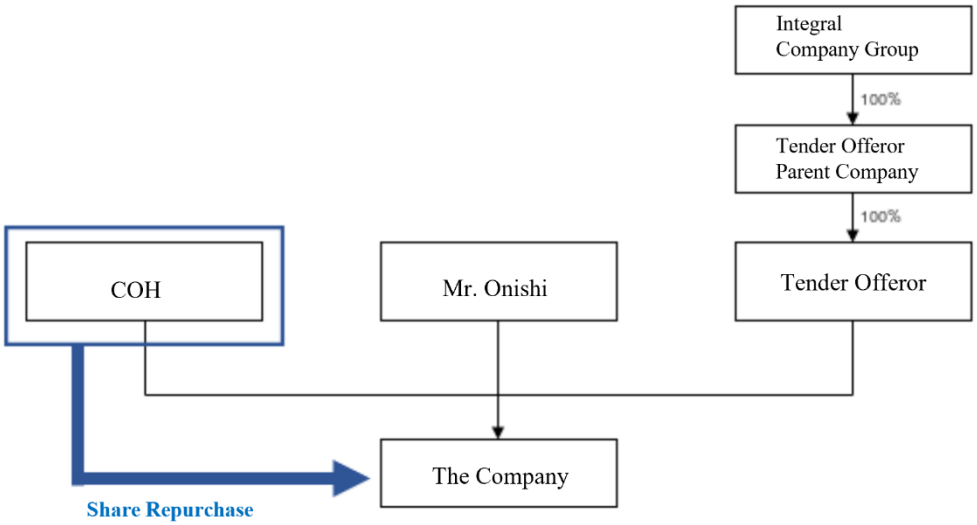
The Capital Contribution will be made as necessary for the purpose of securing the funds to carry out the Share

Repurchase.



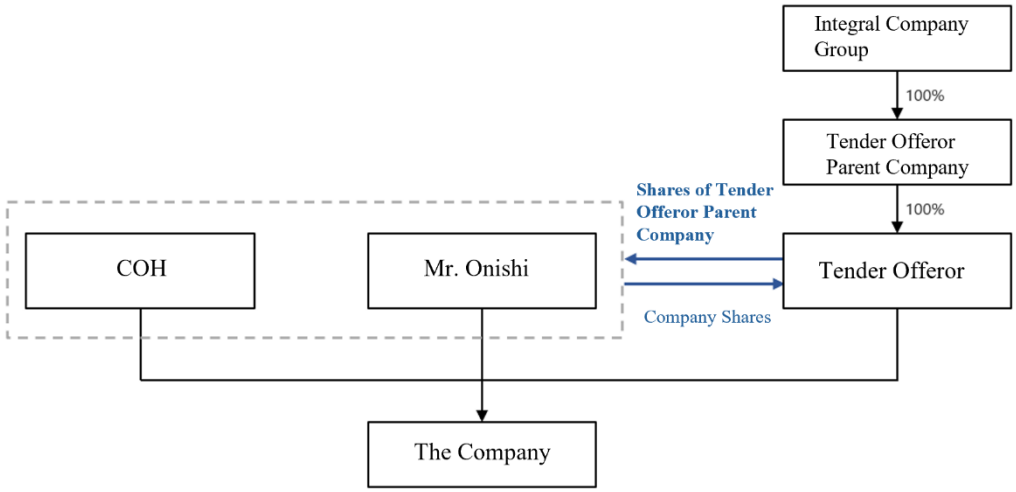
V. After the Share Repurchase (late April to mid-May 2027) (planned)

After the Tender Offer is successfully completed and the Share Consolidation takes effect, the Company will perform a stock split to adjust the number of shares and conduct the Share Repurchase to acquire the Shares Subject to the Share Repurchase.



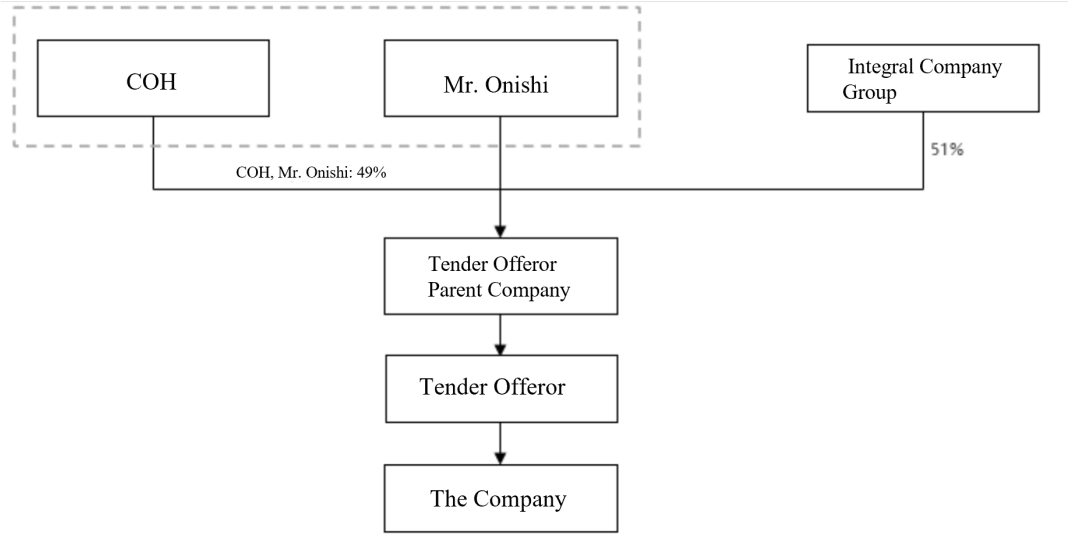
VI. After the Triangular Share Exchange (timing to be determined)

After the completion of the Share Repurchase, the Triangular Share Exchange will be implemented in which shares of Tender Offeror Parent Company will be delivered as consideration.



VII. After the Consummation of the Triangular Share Exchange

The Non-Tendering Shareholders will become shareholders of Tender Offeror Parent Company, resulting in a structure of joint investment in Tender Offeror Parent Company. The aggregate voting rights ratio of the Non-Tendering Shareholders in Tender Offeror Parent Company after the Triangular Share Exchange is expected to be 49%.



If the Tender Offer is successfully completed, Tender Offeror plans to raise the funds required for the Transaction, including the Tender Offer, through a capital contribution to Tender Offeror by Tender Offeror Parent Company, and plans to apply the proceeds thereof to the settlement of the Tender Offer and other purposes. Tender Offeror Parent Company plans to raise such funds through capital contributions by Integral HD, Integral 5 Limited Partnership (Note 8), Innovation Alpha V L.P. (Note 9), Initiative Delta V L.P. (Note 10) and Infinity Gamma V L.P. (Note 11) of 533,000 thousand yen, 8,288,000 thousand yen, 2,763,000 thousand yen, 3,453,000 thousand yen and 2,763,000 thousand yen, respectively (Note 12).

(Note 8) Integral 5 Limited Partnership is an investment limited partnership (*toshi jigyo yugen sekinin kumiai*) formed under the Act on Investment Limited Partnerships (Act No. 90 of 1998, as amended; the same applies hereinafter), which is operated and managed by Integral 5 GP Limited Partnership as general partner, which in turn is operated and managed by Integral Partners as general partner.

(Note 9) Innovation Alpha V L.P. is an exempted limited partnership formed under the laws of the Cayman Islands, which is operated and managed by Innovation Partners Alpha V Ltd. as general partner, for which Integral Corporation provides investment advice.

(Note 10) Initiative Delta V L.P. is an exempted limited partnership formed under the laws of the Cayman Islands, which is operated and managed by Initiative Partners Delta V Ltd. as general partner, for which Integral Corporation provides investment advice.

(Note 11) Infinity Gamma V L.P. is an exempted limited partnership formed under the laws of the Cayman Islands, which is operated and managed by Infinity Partners Gamma V Ltd. as general partner, for which Integral Corporation provides investment advice.

(Note 12) The investment is planned to involve a combination of common shares and preferred shares.

For details of the Company's decision-making process, please refer to "[vi] Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below.

[ii] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy

(i) Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer

The Company was established in Takarazuka, Hyogo in March 2007 to develop and sell beauty-related products and listed its shares on the TSE Mothers Market in September 2020. Subsequently, the Company's listing was moved to the TSE Growth Market in conjunction with the TSE's market reclassification in April 2022, and the Company's listing was changed again to the TSE Prime Market in September 2023. As of today, the Company's group consists

of the Company and four consolidated subsidiaries (collectively, the "Company Group"), developing and selling haircare products, beauty gadgets, skincare and other related brands and products under its mission of, "We are Social Beauty Innovators for Chain of Happiness – we continuously take up the challenge of realizing a society full of a 'Chain of Happiness' by combining innovation with beauty".

With its product development capabilities using digital technologies, its business model of directly delivering brands and products planned in-house to consumers, and its digital marketing know-how developed since its foundation as strengths, the Company has expanded its business by combining online sales centered on e-commerce and offline sales to retail stores, mass retailers and others through wholesalers, launching the beauty gadget brand "SALONIA" through Kabushiki Kaisha Mainline, an erstwhile business partner, in May 2012, the botanical life style brand "BOTANIST" in January 2015, and the nighttime beauty care brand "YOLU" in September 2021. The Company also acquired shares of Tout Vert Co., Ltd. in October 2024 as part of its efforts to strengthen its skincare category. The Company has been promoting the "IPTOS" model, a unique brand development model in which each stage of product commercialization from the development of an idea to planning, pilot sales, and full-scale rollout is managed in accordance with disciplined standards, and in the fiscal year ended December 31, 2025, the YOLU brand accounted for 31% of the Company Group's sales, with the BOTANIST brand accounting for 26%, the SALONIA brand, 20%, and skincare and other categories, 23%.

With regard to the business environment surrounding the Company, while the haircare and hair and makeup market in Japan came to 709.6 billion yen in 2025, indicating moderate growth with an average annual growth rate of approximately 2% since 2022, competition in the market is increasingly intensifying. The Company's core customers are shifting from television to the internet as their primary media touchpoint, and the Company understands that digital technology-driven marketing is becoming more important. Additionally, as the outlook for the global economy remains uncertain due to geopolitical risks, changes in the international situation, fluctuations in exchange rates and prices, and other factors, the Company Group needs to accurately understand environmental changes and strive to achieve both profitability and growth.

In such a business environment, the Company is endeavoring to grow the mainstay haircare and beauty gadget categories, achieve further growth of the skincare and new categories, move forward with overseas expansion, acquire new strengths and expand business domains through M&A.

Meanwhile, after suspicions arose that the counterparty to the trademark acquisition transaction conducted in the fiscal year ended December 31, 2022, may have constituted a related party of the Company, the Company established a special investigation committee composed of external experts on February 12, 2026, and received an investigation report from the committee on April 24, 2026, based on which the Company recognized the fact that the counterparty did constitute a related party of the Company. In light of this, in the internal control report submitted on May 15, 2026, the Company reported that internal control over financial reporting as of the end of the fiscal year ended December 31, 2025, had a material weakness that required disclosure and thus was not valid. The Company has since designated the improvement of internal control and governance as its top priority, and in order to address the material weakness requiring disclosure, the Company has formulated, and executed, recurrence-prevention measures focused on reforming management's mindset and developing its corporate culture, ensuring the effectiveness of the Board of Directors' supervisory functions, strengthening management systems for related-party transactions, and reinforcing information management systems. Such measures to prevent recurrence are progressing generally as planned, and through the change of the Chairperson of the Board of Directors to an independent outside director, the establishment of new management regulations concerning related-party transactions, the strengthening of monitoring functions for transactions involving a risk of conflicts of interest, the review of the regulations on authority and responsibility (approval criteria table), the implementation of governance training for all employees, and other measures, the design of the various systems was completed as of the end of October 2026. The Company plans to verify the operational effectiveness of the new systems during the fourth quarter of the fiscal year ending December 31, 2026. In addition, on June 18, 2026, the Company received notice from the TSE that it had entered the grace period for reexamination due to a violation of the written oath. In such notice, it was specified that a grace period for reexamination would run from June 18, 2026 to June 18, 2027 for the Company Shares, and that in the event that the Company submits an application for review within such grace period to determine whether it meets the criteria equivalent to the Prime Market's new listing standards, the Company Shares will remain listed if it meets those criteria, but will be delisted if it does not, and furthermore, in the event that the Company submits an application for a change in market classification to the Standard Market or the Growth Market within the grace period, the Company Shares will continue to be listed in the new market classification if approval for such a change is granted. The Company was required by the TSE to pay, and has paid, 33.6 million yen as a penalty for breach of the listing agreement. In addition, since the disclosure of the "Notice Regarding Entry into a Grace Period Pertaining to Reexamination due to Violation against a Written Oath and the Imposition of Listing Agreement Violation Penalty" dated June 19, 2026 (the "Press Release Dated June 19, 2026"), the Company has been implementing measures to prevent recurrence and has been proceeding with preparations for improvement measures and the application for reexamination in order to maintain the listing of the Company Shares.

Under these circumstances, Mr. Onishi, believing that it would be beneficial to utilize external management resources in addition to the Company's own management efforts in order to achieve the Company's further growth and enhancement of corporate value, sought the views of, and held discussions with, Integral, which has a substantial

track record of investments in Japan, in early August 2026 for the purpose of consulting on the Company's management initiatives and capital policy. In the course of those discussions, Mr. Onishi conveyed to Integral an intention to delist the Company Shares with the cooperation of a third party for the Company's future growth. Subsequently, upon receiving notice on August 17 of the same year from Houlihan Lokey, Inc. ("Houlihan Lokey") that the Non-Tendering Shareholders appointed Houlihan Lokey as their financial advisor on August 7 of the same year, that they were considering delisting the Company Shares through a so-called management buyout (MBO), premised on the retention of a portion of the Company Shares held by the Non-Tendering Shareholders and the continued involvement of Mr. Onishi in the Company's management, and that they intended to conduct a selection process to which multiple sponsor candidates would be invited (the "First Bid Process"), Integral decided to participate in that process. On August 17, 2026, Mr. Onishi and COH advised the Company that they were conducting the First Bid Process and requested that the Company establish a special committee, and subsequently, on August 26, 2026, Mr. Onishi explained to the Company that the transaction for delisting the Company Shares would be a so-called management buyout (MBO), in which a prospective sponsor that participates in the First Bid Process and is ultimately selected is a party that conducts the tender offer at the request of Mr. Onishi and shares interests with Mr. Onishi. Upon receiving notice of the First Bid Process, Integral held multiple internal discussions with respect to the delisting of the Company and the subsequent growth strategy. Integral subsequently submitted to the Non-Tendering Shareholders in the First Bid Process a letter of intent regarding the Transaction dated September 16, 2026 setting forth the strategic significance of the Transaction; the principal terms of the Transaction anticipating that the Non-Tendering Shareholders' actual ownership ratio of voting rights in the Company will be 49% following the Transaction and that Mr. Onishi will continued to be involved in business operations as Representative Director, President and CEO of the Company; the post-Transaction management policy; the advantages that the Company may enjoy as a result of Integral becoming a shareholder; and the anticipated schedule of the Transaction. Integral then held discussions with the Non-Tendering Shareholders regarding the delisting on a total of three occasions from mid-September to late September of the same year. During the same period, on September 16, 2026, prior to the determination of the candidate to advance to the second bid process, the Non-Tendering Shareholders received written questions from the special committee established by the Company (the "Special Committee") with regard to the outline of the First Bid Process and the appropriateness of the process and results of the selection of the sponsor candidates, and the Non-Tendering Shareholders sent to the Special Committee their responses to those questions on September 24, 2026. Thereafter, the Non-Tendering Shareholders explained that they had conducted the First Bid Process with Houlihan Lokey as their financial advisor and, as a result of comprehensive comparison and examination of the letters of intent and other proposal materials submitted by the respective candidates in terms of their proposed initiatives to enhance corporate value, the proposed price, certainty of financing, feasibility of the transaction and other factors, they selected Integral as the final candidate on September 28, 2026. They also explained to the Company that after granting Integral the right of first negotiation, they would proceed with one-on-one negotiations with Integral as the second bid process. On the same day, Integral received from Houlihan Lokey a "Notice Regarding the Grant of the Right of First Negotiation", stating that, as a result of the First Bid Process, Integral had been selected as the final candidate and had been granted the right of first negotiation, and that one-on-one negotiations would proceed with Integral as the second bid process. In such process, on September 28 of the same year, Integral appointed Nishimura & Asahi (*Gaikokuho Kyodo Jigyo*) as a legal advisor independent of each of Integral, Tender Offeror, the Non-Tendering Shareholders and the Company, and commenced further consideration of the Transaction.

Thereafter, on September 28 of the same year, Integral received from Daiwa Securities Co. Ltd. ("Daiwa Securities"), the Company's financial advisor, the "Due Diligence Guidelines" with respect to due diligence on the Company, and from late September of the same year until mid-November, Integral performed due diligence on business, finance, tax, legal and other matters with respect to the Company, and held interviews with the management team of the Company.

Based on the foregoing, Integral has come to recognize the following with regard to the Company.

(A) Business Characteristics and Market Position of the Company

Integral recognizes the Company as a company that, since its founding in 2007, has developed multiple leading brands through the development and sale of hair care products, beauty appliances, skincare products and other related brands and products, including "BOTANIST" and "YOLU" in hair care, "SALONIA" in beauty appliances, and "TOUT VERT" in skincare. Integral also believes that the Company has strengths in functions such as product planning and design based on the "IPTOS" model described above, the production of advertising creative utilizing digital technologies, and sales. On that basis, Integral recognizes that the Company has established a unique position in the industry in that it has realized business development that accurately captures demand while utilizing both sales channels, namely, online sales centered on e-commerce, and offline sales to retail stores, mass retailers and others.

However, Integral is aware that, in the domestic hair care market, major household goods manufacturers and others are introducing new brands and strengthening sales promotion, and retail chains such as drugstores are also expanding their private-label products. In addition, in the domestic beauty appliance market, there are some signs of high-priced brands of major home appliance manufacturers and others earning high consumer ratings and leading the market, and in the domestic skincare market, competition to gain brand recognition is intensifying. In light of these circumstances, Integral believes that a certain degree of competitive pressure may arise for each of the

Company's main brands over the medium-to-long term. In this business environment, Integral recognizes that, in order for the Company to further enhance its competitiveness in the industry, it is important to undertake continuous and agile initiatives toward further strengthening its brand and product development strategies and advertising and promotional investment, accelerating overseas expansion, and expanding sales and marketing initiatives.

(B) Management Issues for the Company's Further Growth

Integral believes that, as the Company's net sales are concentrated in its three main brands, "BOTANIST", "YOLU" and "SALONIA", it is necessary to continuously create and expand the next pillar brands and new products by making fuller use of the Company's strength, the "IPTOS" model, and by strengthening its M&A strategy in order for the Company to achieve further growth. In addition, Integral recognizes that scaling up overseas operations, which currently account for a relatively small share of total sales, is also a key priority, and to achieve this, Integral recognizes the need to strengthen the Company's infrastructure, including investing in local advertising and promotion, developing sales channels, and securing the talent required to drive the Company's international business.

Integral also believes that, in order for the Company to solidify the trust of its stakeholders and to advance its growth strategy, it is a prerequisite that the measures to prevent recurrence relating to the improvement of internal controls and governance described above not be limited to one-off responses but be thoroughly embedded in the organization and established in a state in which such measures function continuously.

However, Integral anticipates that each of these initiatives will entail a considerable amount of upfront investment and commitment of management resources, and that a certain degree of downward pressure on the Company's business performance is therefore expected in the short term. In particular, in a situation where the Company must give top priority to allocating management resources to rebuilding its governance framework while at the same time continuing to make growth investments in a business environment of intensifying competitive pressure, Integral believes that, if the Company, as a listed company, is compelled to respond to short-term performance expectations from the capital markets and share price fluctuations, there is a risk that the implementation of agile investments and initiatives from a medium-to-long-term perspective could be constrained, and that the existing general shareholders of the Company may be exposed to the risk of short-term deterioration in performance and a decline in the share price.

(C) Significance and Synergies of the Transaction

Based on the analysis conducted through around mid-November 2026 as described above, Integral has determined that delisting the Company through the Transaction, giving top priority to a fundamental review and rebuilding of its internal controls and governance framework, and establishing an environment in which the Company can swiftly and decisively implement initiatives including reforms and upfront investments aimed at sustainable growth, without being constrained by performance pressure from the capital markets, will contribute to maximizing the corporate value of the Company over the medium-to-long term.

Integral positions the Transaction as a turning point toward a new growth stage for the Company. As a friendly partner that, while vigorously promoting governance reforms, respects the Company's corporate culture of generating brands that become pillars of growth one after another from ideas originating on the front lines, which is the source of the competitiveness of the Company, Integral aims to work with the Company's management team to build a framework capable of simultaneously further strengthening the management foundation and pursuing growth investments over a medium-to-long-term time horizon.

The synergies that Integral believes can be expected from the Transaction are described below. Integral believes that, by providing the Company with the knowledge, networks and management resources it has cultivated through governance reforms at its portfolio companies and management support in Japan and overseas, Integral will be able to contribute to enhancing the corporate value of the Company over the medium-to-long term, specifically through the implementation of the following measures:

[i] Strengthening Brand and Sales Strategies

Integral will seek further growth of existing brands, will efficiently and agilely execute growth investments in new brands and new products without being constrained by the impact on short-term revenue, and will support the creation and expansion of core businesses that become new pillars of revenue. Integral will also support the strengthening of brand strategies through M&A and other means in areas where the Company's competitiveness would be enhanced, making maximum use of the investment practice knowledge it has gained from the 40 investments it has made to date (as of today).

[ii] Acceleration of Overseas Expansion

In order to advance the development of sales channels in new regions such as Asia, North America and Europe, Integral will support the development of a framework, including the search for local partners utilizing Integral's network, the securing of personnel to engage in the overseas business, and the expansion of local marketing and branding strategies. Integral will also consider further strengthening the overseas business foundation by flexibly

applying in each market the Company's business model, which utilizes both online and offline sales channels and is one of the strengths of the Company.

[iii] Strengthening Governance and the Management Foundation by Utilizing the Support Framework of Integral

Integral believes that embedding the measures to prevent recurrence that the Company has formulated and is working to implement into the organization, thereby ensuring that governance functions on an ongoing basis, will serve as the foundation for realizing various synergies. In addition to supporting the strengthening of governance as described above, Integral will help further strengthening of the management control framework by providing on-site support through "i-Engine" and support for the recruitment of specialist personnel for administrative functions.

On the other hand, Integral is aware of the matters generally of concern as disadvantages of going private, such as the inability to raise funds from the capital markets following delisting, the impact on creditworthiness, and the securing of personnel. However, Integral considers the risk of these significantly impairing the Company's corporate value to be low, and has determined that the benefits of delisting the Company Shares significantly outweigh those disadvantages.

Based on the interim results of the due diligence described above and other factors, Integral submitted to the Company and the Special Committee, on October 23 of the same year, a price proposal for the Transaction setting the Tender Offer Price at 1,700 yen (a price representing a premium of 17.73% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by speculative reports regarding the delisting of the Company Shares published by Mergermarket on September 15, 2026 (the "Speculative Reports"); of 17.57% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 28.69% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 36.55% to the simple average of the closing prices of 1,245 yen for the past six months up to that date; it should be noted that Integral considers it inappropriate to refer to the soaring share prices after the Speculative Reports because such prices deviate from the intrinsic value of the Company, relying on the Speculative Reports, and also believes that the fairness and reasonableness of the Tender Offer Price should not be denied simply because the Tender Offer Price reflects some discounts, if a date after the Speculative Reports is used as the reference date, from the closing price of the reference date, the simple average of the closing prices for the past one month up to that date, and the simple average of the closing prices for the past three months up to that date. In consideration of the foregoing, the Tender Offer Price (1,700 yen) represents a discount of 27.35% to the closing price of Company Shares of 2,340 yen on the TSE Prime Market on October 22, 2026, the business day immediately preceding the date of proposal, a discount of 24.81% to the simple average of the closing prices of 2,261 yen for the past one month up to that date, and a discount of 0.93% to the simple average of the closing prices of 1,716 yen for the past three months up to that date, and a premium of 15.88% to the simple average of the closing prices of 1,467 yen for the past six months up to that date) and each Share Option Purchase Price at 1 yen, assuming that no year-end dividend will be paid for the fiscal year ending December 2026. Tender Offeror has set the Share Option Purchase Price at 1 yen because it would be unable to exercise the Share Options even if it acquired them. However, since all of Series 3 Share Options and Series5 Share Options, and a portion of Series 6 Share Options and Series 7 Share Options are currently exercisable, Tender Offeror takes the view that holders of the Company's share options can enjoy the economic value originally anticipated by exercising their rights and tendering the Company's common shares acquired thereby in the Tender Offer.

In response, on the 26th of the same month, Integral received a request from the Special Committee to consider substantially increasing the proposed price on the grounds that the Tender Offer Price (1,700 yen) in such proposal was significantly insufficient in relation to the Company's intrinsic value based on the Company's business plan. Upon receiving such request, on November 4, 2026 of the same year, Integral made a second price proposal setting the Tender Offer Price at 2,050 yen (a price representing a premium of 41.97% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the Speculative Reports on September 15, 2026; of 41.77% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 55.19% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 64.66% to the simple average of the closing prices of 1,245 yen for the past six months up to that date; it should be noted that, similarly, Integral considers it inappropriate to refer to the soaring share prices after the Speculative Reports because such prices deviate from the intrinsic value of the Company, relying on the Speculative Reports, and also believes that the fairness and reasonableness of the Tender Offer Price should not be denied simply because the Tender Offer Price reflects some discounts, if a date after the Speculative Reports is used as the reference date, from the closing price of the reference date, and the simple average of the closing prices for the past one month up to that date. In consideration of the foregoing, the Tender Offer Price (2,050 yen) represents a discount of 17.44% to the closing price of Company Shares of 2,483 yen on the TSE Prime Market on November 2, 2026, the business day immediately preceding the date of proposal, and a discount of 11.75% to the simple average of the closing prices of 2,323 yen for the past one month up to that date, and a premium of 10.99% to the simple average of the closing prices of 1,847 yen for the past three months up to that date, and a premium of 33.20% to the simple average of the closing prices of 1,539 yen for the past six months up to that date) and the Share Option Purchase Price at 1 yen. In response, on the 6th of the same month, Integral received a request from the Special Committee to consider increasing the proposed price on the grounds that the Tender Offer Price (2,050 yen) in the second price proposal was still insufficient in relation to the Company's intrinsic value based on the Company's

business plan. Upon receiving such request, on the 9th of the same month, Integral made a third price proposal setting the Tender Offer Price at 2,150 yen (a price representing a premium of 48.89% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the Speculative Reports on September 15, 2026; of 48.69% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 62.76% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 72.69% to the simple average of the closing prices of 1,245 yen for the past six months up to that date; it should be noted that, similarly, Integral considers it inappropriate to refer to the soaring share prices after the Speculative Reports because such prices deviate from the intrinsic value of the Company, relying on the Speculative Reports, and also believes that the fairness and reasonableness of the Tender Offer Price should not be denied simply because the Tender Offer Price reflects some discounts, if a date after the Speculative Reports is used as the reference date, from the closing price of the reference date, and the simple average of the closing prices for the past one month up to that date. In consideration of the foregoing, the Tender Offer Price (2,150 yen) represents a discount of 9.13% to the closing price of Company Shares of 2,366 yen on the TSE Prime Market on November 6, 2026, the business day immediately preceding the date of proposal, and a discount of 8.70% to the simple average of the closing prices of 2,355 yen for the past one month up to that date, and a premium of 12.15% to the simple average of the closing prices of 1,917 yen for the past three months up to that date, and a premium of 37.73% to the simple average of the closing prices of 1,561 yen for the past six months up to that date) and the Share Option Purchase Price at 1 yen. In response, on the 11th of the same month, Integral received a request from the Special Committee to consider increasing the proposed price on the grounds that, although the Tender Offer Price (2,150 yen) in the third price proposal was deemed to be at a level that could be given a certain degree of credit in light of the premium levels in recent comparable precedents when measured against the Company's share price on or before September 14, 2026, which is considered not to have been affected by the Speculative Reports, it could hardly be said to have reached a sufficient level in relation to the Company's intrinsic value based on the Company's business plan, that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and that it would still be necessary to continue to consider carefully whether to issue an opinion in support of the Tender Offer. Upon receiving such request, on the 13th of the same month, Integral made a fourth price proposal setting the Tender Offer Price at 2,215 yen (a price representing a premium of 53.39% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the Speculative Reports on September 15, 2026; of 53.18% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 67.68% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 77.91% to the simple average of the closing prices of 1,245 yen for the past six months up to that date; It should be noted that, similarly, Integral considers it inappropriate to refer to the soaring share prices after the Speculative Reports because such prices deviate from the intrinsic value of the Company, relying on the Speculative Reports, and also believes that the fairness and reasonableness of the Tender Offer Price should not be denied simply because the Tender Offer Price reflects some discounts, if a date after the Speculative Reports is used as the reference date, from the closing price of the reference date, and the simple average of the closing prices for the past one month up to that date. In consideration of the foregoing, the Tender Offer Price (2,215 yen) represents a discount of 7.36% to the closing price of Company Shares of 2,391 yen on the TSE Prime Market on November 12, 2026, the business day immediately preceding the date of proposal, and a discount of 7.40% to the simple average of the closing prices of 2,392 yen for the past one month up to that date, and a premium of 11.76% to the simple average of the closing prices of 1,982 yen for the past three months up to that date, and a premium of 38.01% to the simple average of the closing prices of 1,605 yen for the past six months up to that date.) and the Share Option Purchase Price at 1 yen. In response, on the 16th of the same month, Integral received a request from the Special Committee to consider increasing the proposed price on the grounds that, although the Tender Offer Price (2,215 yen) in the fourth price proposal was deemed to be at a level that could be given a certain degree of credit in light of the premium levels in recent comparable precedents and the Company's intrinsic value based on the Company's business plan when measured against the Company's share price on or before September 14, 2026, which is considered not to have been affected by the Speculative Reports, it could hardly be said to have reached a sufficient level when compared with the current share price, that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and careful consideration would still be necessary. Thereafter, Tender Offeror continuously held discussions and negotiations with the Company and the Special Committee with regard to the terms and conditions of the Transaction, including the Tender Offer Price and the Share Option Purchase Prices. Upon receiving such request, on the 19th of the same month, Integral made a fifth price proposal setting the Tender Offer Price at 2,248 yen (a price representing a premium of 55.68% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the Speculative Reports on September 15, 2026; of 55.46% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 70.17% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 80.56% to the simple average of the closing prices of 1,245 yen for the past six months up to that date; It should be noted that, similarly, Integral considers it inappropriate to refer to the soaring share prices after the Speculative Reports because such prices deviate from the intrinsic value of the Company, relying on the Speculative Reports, and also believes that the fairness and reasonableness of the Tender Offer Price should not be denied simply because the Tender Offer Price reflects some discounts, if a date after the Speculative Reports is used as the reference date, from the closing price of the reference date, the simple average of the closing prices for the past one month up to that date, and the simple average of the closing prices for the past three months up to that date. In consideration of the foregoing, the Tender Offer Price (2,248 yen) represents a discount of 10.12% to the closing price of Company Shares of 2,501 yen on the

TSE Prime Market on November 18, 2026, the business day immediately preceding the date of proposal, a discount of 6.92% to the simple average of the closing prices of 2,415 yen for the past one month up to that date, and a discount of 9.71% to the simple average of the closing prices of 2,049 yen for the past three months up to that date, and a premium of 36.41% to the simple average of the closing prices of 1,648 yen for the past six months up to that date) and the Share Option Purchase Price at 1 yen. In response, on the same day, Integral received the response from the Special Committee stating that, with the fifth price proposal, the Company supports the Tender Offer and considers it appropriate to take a neutral position as to whether the Company's shareholders should tender their shares in the Tender Offer and to leave that decision to the judgment of the Company's shareholders and Share Option Holders, and agreed upon the Tender Offer Price of 2,248 yen with the Company.

In parallel, from early October 2026 through November 20, 2026, Integral continuously held discussions and negotiations with the Non-Tendering Shareholders regarding the Non-Tendering Agreement (including the agreement on the Share Repurchase Price) and the Management Services Agreement described in "(6) Important Agreements Relating to the Tender Offer" below and the shareholders agreement described in "(ii) Post-Tender Offer Managerial Policy" below, on the basis of the principal terms discussed between Integral and the Non-Tendering Shareholders during the First Bid Process, including taking the Company private, growth strategies thereafter, the Non-Tendering Shareholders' substantial ownership ratio of voting rights in the Company of 49% following the Transaction, and Mr. Onishi's continued involvement in business operations as Representative Director, President and CEO of the Company.

Following such discussions and negotiations, Tender Offeror decided on November 20, 2026, to set the Tender Offer Price at 2,248 yen and each Share Option Purchase Price at 1 yen and to implement the Tender Offer as part of the Transaction.

(ii) Post-Tender Offer Managerial Policy

According to Tender Offeror, the Transaction constitutes a so-called management buyout (MBO), and Mr. Onishi plans to continue to manage the Company after the Transaction and to promote each of the management initiatives described in "(i) Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer" above. Integral expects to dispatch several directors to the Company after the Transaction; however, the specific selection of individuals, the timing and other matters have not been determined as of today, and Integral plans to determine its policy through discussion and consideration with the Company after the successful completion of the Tender Offer. In addition, Integral Company Group has entered into a management services agreement with Mr. Onishi under which Mr. Onishi will be engaged to perform the duties of representative director or director of the Company (the "Management Services Agreement"). Details of the management structure of the Company after the Transaction, including its officer composition, are expected to be determined in consultation with the Company after the Transaction. For details of the Management Services Agreement, please refer to "(6) Important Agreements Relating to the Tender Offer" below. In addition to the Management Services Agreement, Integral Company Group has entered into a shareholders agreement with the Non-Tendering Shareholders under which matters relating to the operation and shares of the Company after the Share Consolidation takes effect have been agreed upon. Tender Offeror has the basic policy to, in principle, maintain the employment of the Company's employees after the successful completion of the Tender Offer, and does not intend to change this policy as of the present time. Tender Offeror does not plan to change the Company's operational structure in connection with the Transaction. Tender Offeror plans to consider introducing an incentive plan for the Company's employees after the Transaction, although the specific details have not been determined as of today. In connection with Mr. Onishi's continued management of the Company after the Transaction, the Company anticipates re-evaluating Mr. Onishi as a director based on the requirements for officer candidates organized as part of the measures to prevent recurrence as well as the results of the third-party assessment by an external specialist organization that the Company has introduced, through deliberation at the Nomination and Remuneration Committee scheduled to be held in December 2026.

[iii] Decision-Making Process Leading to the Company's Support of the Tender Offer; Reasons

On August 17, 2026, the Company was notified by Mr. Onishi, the representative director, president and CEO of the Company, and COH, which is Mr. Onishi's asset management company and also a major shareholder that is the largest shareholder of the Company, to the effect that Houlihan Lokey was appointed as a financial advisor for the Non-Tendering Shareholders; they were considering delisting the Company Shares by assigning the Company Shares held by the Non-Tendering Shareholders to an appropriate third party; and a selection process with multiple sponsor candidates was underway, and that they requested that the Company establish a special committee. In such communication, Mr. Onishi and COH cited the following as the background to and significance of their consideration of delisting the Company Shares: (i) since the fiscal year ending December 2026, the Company has reviewed its management approach of being excessively focused on the pursuit of short-term profits and has shifted to a policy of executing strategic investments even at the expense of profits, and as a result, although net sales growth has accelerated and there are signs that the level of profits will also grow substantially over the medium term, the Company has experienced no small number of occasions since its listing on which the Company refrained from making investments that should have been actively made and the speed of decision-making slowed, owing to a strong awareness of quarterly financial results and short-term evaluations by the capital markets, but in light of the Company's original strength of making bold investments from a medium- to long-term perspective and nurturing

new brands, the environment as a non-listed company would enable the Company to exercise that strength to the fullest extent more than the status of being a listed company subject to short-term evaluations, and to redirect management resources such as the costs of maintaining the listing to business growth; and (ii) in light of the uncertainties in the current listing environment and other factors, bringing in the optimal sponsor to contribute to the Company's growth and executing the transaction at a price that includes a substantial premium would provide the general shareholders with a reasonable opportunity to recoup their investment. Subsequently, on August 26, 2026, the Company received an explanation from Mr. Onishi that the transaction for delisting the Company Shares would be a so-called management buyout (MBO) in which a prospective sponsor that participates in the First Bid Process and is ultimately selected is a party that conducts the tender offer at the request of Mr. Onishi and shares interests with Mr. Onishi. In response, seeking to exercise caution in its decision-making regarding the transaction for delisting the Company Shares, and with the aim of eliminating the risk of arbitrariness and conflicts of interest in the decision-making process of its Board of Directors and ensuring the fairness thereof, the Company at the meeting of the Board of Directors held on August 26, 2026, established the Special Committee (for the background, course of consideration and determination of the establishment etc. of the Special Committee, please refer to "[iii] Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below) consisting of five independent outside directors of the Company, namely, Mr. Naoki Watanabe, Mr. Hiroshi Sasamata, Mr. Koichi Mizutome, Mr. Kohei Omori, and Ms. Noriko Yamanaka. It also appointed Nakamura, Tsunoda & Matsumoto as its legal advisor and Daiwa Securities as its financial advisor and third-party calculation agency, each of which is independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company and of the outcome of the transaction for delisting the Company Shares.

As described in "[vii] Establishment of an Independent Consideration System at the Company" under "(3) Measures for Ensuring the Fairness of the Tender Offer" below, the Company established an internal review framework consisting exclusively of its officers and employees deemed to be independent, based on advice from Nakamura, Tsunoda & Matsumoto. The Special Committee has approved this framework, confirming that there are no issues from the perspectives of independence and fairness.

At its first meeting held on August 26, 2026, the Special Committee appointed LBX Legal Advisors as the Special Committee's legal advisor after confirming there are no issues with respect to the independence and expertise of LBX Legal Advisors, and at its second meeting held on September 8, 2026, the Special Committee approved Daiwa Securities and Nakamura, Tsunoda & Matsumoto as the Company's financial advisor and third-party calculation agency, and legal advisor, respectively, after confirming that there are no issues with respect to their independence or expertise. Further, at its third meeting held on September 16, 2026, the Special Committee appointed Plutus Consulting Co., Ltd. ("Plutus Consulting") as its financial advisor and third-party calculation agency after confirming that there are no issues with respect to the independence or expertise of Plutus Consulting.

At that stage, as the names of the sponsor candidates that participated in the First Bid Process had not yet been disclosed to the Company by Mr. Onishi and COH, the assessment of the independence of the members of the Special Committee, the officers and employees involved in the internal review framework, Nakamura, Tsunoda & Matsumoto, Daiwa Securities, LBX Legal Advisors and Plutus Consulting focused primarily on identifying any potential conflicts of interest with the Non-Tendering Shareholders, and additionally, checks were conducted to the extent ascertainable to ensure that these individuals or their respective organizations were not involved in the Transaction on behalf of any of the sponsor candidates. Furthermore, as described below, upon being informed by the Non-Tendering Shareholder on September 28, 2026 that Integral were expected to be selected as the final candidate and to be granted exclusive negotiating rights, a re-evaluation was conducted to confirm that the members of the Special Committee, the officers and employees involved in the internal review framework, Nakamura, Tsunoda & Matsumoto, Daiwa Securities, LBX Legal Advisors and Plutus Consulting held no material conflicts of interest with Integral.

On September 16, 2026, prior to the determination of the candidates to advance to the second bid process, the Special Committee submitted to the Non-Tendering Shareholders written questions with regard to the outline of the First Bid Process, and the appropriateness of the process and results of the selection of the sponsor candidates, and on September 24, 2026, the Special Committee received the responses to those questions from the Non-Tendering Shareholders. In such response, the Special Committee received an explanation from the Non-Tendering Shareholders that the First Bid Process had been conducted as a bidding procedure designed for a transaction to delist the Company Shares through a so-called management buyout (MBO), on the premise that the Non-Tendering Shareholders will continue to hold a portion of their Company Shares and that Mr. Onishi will continue to be involved in the Company's management, and that the Non-Tendering Shareholders had approached a total of nine companies, consisting of seven PE funds and investment companies which are financial investors and two operating companies, about participating in the First Bid Process, and had invited to the First Bid Process a total of seven companies, consisting of six financial investors and one operating company, that confirmed their intention to participate.

On September 28, 2026, the Company received from the Non-Tendering Shareholders a document regarding the plan of granting Integral the right of first negotiation and the acceptance of due diligence by Integral. In said document, the Non-Tendering Shareholders explained that they conducted the First Bid Process with Houlihan Lokey as the financial advisor and, as a result of comprehensive comparison and examination of the letters of intent

and other proposal materials submitted by the respective candidates in terms of their proposed initiatives to enhance corporate value, the proposed price, certainty of financing, feasibility of the transaction and other factors, they selected Integral as the final candidate. They also explained that after granting Integral the right of first negotiation, they would proceed with one-on-one negotiations with Integral as the second bid process. According to the Non-Tendering Shareholders, one of the seven candidates declined to participate, and six submitted letters of intent. According to the Non-Tendering Shareholders, since September 28, 2026, when they granted Integral the right of first negotiation, the Non-Tendering Shareholders have had no discussions or negotiations regarding the Transaction with any candidates other than Integral.

Subsequently, with the system above and in view of the management environment and the state of business of the Company Group, the Company received advice from Nakamura, Tsunoda & Matsumoto and Daiwa Securities on whether to proceed with the Transaction and the fairness of the terms and conditions of the Transaction, including the Tender Offer Price and Share Option Purchase Price, and repeatedly held discussions and negotiations with Tender Offeror and carefully considered the matter.

Specifically, on October 23, 2026, the Company and the Special Committee received from Integral the first price proposal stating that the Tender Offer Price would be 1,700 yen (this price represents a premium of 17.73% over the closing price of 1,444 yen per Company Share on the TSE Prime Market on September 14, 2026, which is considered not affected by speculative reports as of September 15, 2026 by certain news media concerning the delisting of Company Shares; a premium of 17.57% over the simple average closing price of 1,446 yen for the past one month up to that date; a premium of 28.69% over the simple average closing price of 1,321 yen for the past three months up to that date; and a premium of 36.55% over the simple average closing price of 1,245 yen for the past six months up to that date, respectively), and the Share Option Purchase Price would be 1 yen. In response, on October 26, 2026, the Special Committee demanded that Integral consider a significant raise of the proposed price on the grounds that the proposed price is woefully insufficient in consideration of the Company's intrinsic value based on the Company's business plan (meaning the business plan covering the fiscal years ending December 2026 through December 2030, approved at the meeting of the Board of Directors held on October 6, 2026; for the background and assumptions for the development of the business plan, please refer to "[i] The Company's Obtainment of Share Valuation Report from an Independent Third-Party Calculation Agency" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below). The Special Committee also communicated to Integral that since the Share Option Purchase Pirce is 1 yen, even if the Company expresses an opinion in support of the Tender Offer, the Special Committee considers it appropriate to the Share Option Holders that the Company leaves to the judgement of the Share Option Holders the matter of whether to tender their share options in the Tender Offer. Thereafter, on November 4, 2026, the Company and the Special Committee received from Integral a second price proposal setting the Tender Offer Price at 2,050 yen (a price representing a premium of 41.97% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the speculative reports referred to above; of 41.77% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 55.19% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 64.66% to the simple average of the closing prices of 1,245 yen for the past six months up to that date) and the Share Option Purchase Price at 1 yen. In response, on November 6, 2026, the Special Committee informed Integral that the proposed price was still insufficient in relation to the Company's intrinsic value based on the Company's business plan, that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and that it would still be difficult to issue an opinion in support of the Tender Offer, although there was room for consideration in that regard, and the Special Committee requested that Integral consider increasing the proposed price taking the current share price into account, and also requested that Integral consider setting the minimum number of shares to be purchased at a level at which a resolution of the general meeting of shareholders relating to the Share Consolidation can reasonably be expected to be adopted. Thereafter, on November 9, 2026, the Company and the Special Committee received from Integral a third price proposal setting the Tender Offer Price at 2,150 yen (a price representing a premium of 48.89% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the speculative reports referred to above; of 48.69% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 62.76% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 72.69% to the simple average of the closing prices of 1,245 yen for the past six months up to that date), the Share Option Purchase Price at 1 yen and the Share Repurchase Price at 1,486 yen, and stating that the minimum number of shares to be purchased was under consideration. In response, on November 11, 2026, the Special Committee informed Integral that, although the proposed price was at a level that could be given a certain degree of credit in light of the premium levels in recent comparable precedents when measured against the Company's share price on or before September 14, 2026, which is considered not to have been affected by the speculative reports described above, it could hardly be said to have reached a sufficient level in relation to the Company's intrinsic value based on the Company's business plan, that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and that it would still be necessary to continue to consider carefully whether to issue an opinion in support of the Tender Offer, and the Special Committee proceeded to request that Integral consider raising the proposed price again to a level in line with the current share price, and advised that, unless the proposed price were so increased, whether the Company's Board of Directors should express an opinion recommending that shareholders tender their shares and the Special Committee should issue a favorable report on the recommendation to tender, as required by Integral as preconditions to the Tender Offer, would need to be revisited. The Special

Committee also requested that Integral continue to consider setting the minimum number of shares to be purchased and, from the perspective of objectively ensuring the fairness of the terms and conditions of the transaction, requested that Integral set a so-called "Majority of Minority" minimum number of shares to be purchased. Thereafter, on November 13, 2026, the Company and the Special Committee received from Integral a fourth price proposal setting the Tender Offer Price at 2,215 yen (a price representing a premium of 53.39% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the speculative reports referred to above; of 53.18% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 67.68% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 77.91% to the simple average of the closing prices of 1,245 yen for the past six months up to that date), the Share Option Purchase Price at 1 yen and the Share Repurchase Price at 1,58 yen, and stating that the minimum number of shares to be purchased was still under consideration, and the "Majority of Minority" minimum number of shares to be purchased would not be set. In response, on November 16, 2026, the Special Committee informed Integral that, although the proposed price was at a level that could be given a certain degree of credit in light of the premium levels in recent comparable precedents and the Company's intrinsic value based on the Company's business plan when measured against the Company's share price on or before September 14, 2026, which is considered not to have been affected by the speculative reports described above, it could hardly be said to have reached a sufficient level when compared with the current share price, and that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and the Special Committee, taking into account the possibility that no minimum number of shares to be purchased might be set, proceeded to request that Integral consider raising the proposed price again. Subsequently, on November 19, 2026, the Company and the Special Committee received from Integral a fifth price proposal setting the Tender Offer Price at 2,248 yen (a price representing a premium of 55.68% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on September 14, 2026, a date considered not to have been affected by the above speculative reports; of 55.46% to the simple average of the closing prices of 1,446 yen for the past one month up to that date; of 70.17% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 80.56% to the simple average of the closing prices of 1,245 yen for the past six months up to that date), the Share Option Purchase Price at 1 yen, and the Share Repurchase Price at 1,550 yen, and stating that it has been confirmed that a minimum number of shares to be purchased will not be set, and that of the preconditions to the Tender Offer, the portion pertaining to the Company's Board of Directors expressing an opinion recommending that shareholders tender their shares and the Special Committee issuing a favorable report on the recommendation to tender will be changed to the Company's Board of Directors expressing an opinion in support of the Tender Offer and taking a neutral position regarding the tendering of shares and the Special Committee issuing a favorable report thereon. In response, on the same day, the Special Committee responded to Integral to the effect that, with the proposed price, the Company supports the Tender Offer and considers it appropriate to take a neutral position as to whether the Company's shareholders should tender their shares in the Tender Offer and to leave that decision to the judgment of the Company's shareholders and Share Option Holders.

With the course of events above, the Company received legal advice from Nakamura, Tsunoda & Matsumoto, its legal advisor, on the points to note in making decisions regarding the Transaction including the Tender Offer, and received from the Special Committee a report dated November 20, 2026 ("Report"; for details of the Report, please refer to Annex 1.

Additionally, the Company received from Daiwa Securities a share valuation report on the Company Shares dated November 19, 2026 ("Share Valuation Report (Daiwa Securities)"; for an overview of the Share Valuation Report (Daiwa Securities), please refer to "[i] The Company's Obtainment of Share Valuation Report from an Independent Third-Party Calculation Agency" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below), and also received from Plutus Consulting via the Special Committee a share valuation report on the Company Shares dated November 19, 2026 ("Share Valuation Report (Plutus Consulting)").

Following the above, in light of the legal advice from Nakamura, Tsunoda & Matsumoto, the advice from a financial perspective and the Share Valuation Report (Daiwa Securities) from Daiwa Securities, and the Share Valuation Report (Plutus Consulting) submitted via the Special Committee, and fully respecting the Report submitted by the Special Committee, the Company carefully discussed and evaluated whether the Transaction would contribute to enhancing the Company's corporate value, whether the terms and conditions of the Transaction including the Tender Offer Price were fair, and other matters.

As a result, the Company has determined that, in light of the following matters and other factors, the measures contemplated by Tender Offeror as described in "(i) Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer" in "[ii] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" are reasonable, and that delisting the Company Shares through the Transaction will contribute to enhancing the Company's corporate value.

(i) The industry in which the Company operates is characterized by significant earnings volatility, and the ability to decide on upfront investments independently of short-term evaluations by the capital markets is advantageous for restoring trial rates for the existing core brands and for developing new categories.

(ii) Integral, as the majority shareholder, will nominate a majority of the Board of Directors and dispatch resident representatives, and this will create a structural check on the concentration of authority in the Representative Director that was pointed out in the Investigation Report, which contributes to overcoming the management challenges.

(iii) The on-site, locally stationed back-office support that Integral can provide to be beneficial to overseas development of the Company.

(iv) The certainty of financing will be increased through funds contributed by Integral in the event that borrowing from financial institutions proves difficult.

On the other hand, if these measures were implemented while maintaining the listing of the Company Shares, there would be a risk that the Company will not be adequately valued in the capital markets and thus the Company's shareholders may suffer short-term disadvantages, such as a decline in the market price of the Company Shares. While the Company is currently implementing growth investment and governance reforms at the same time, the need to prioritize management resources toward addressing the TSE's reexamination process will inevitably impose certain constraints on the operational transformation initiatives involving the use of AI, including the review of business workflows linked to systems subject to internal control assessments. Moreover, while strengthening the Company's core brands, venturing into new product categories, and expanding overseas require significant upfront investment and time, the Company believes that, if it remains listed, the potential for quarterly earnings volatility and market share-price reactions during these upfront investment phases could constrain investment decisions. Although it is not entirely impossible to implement these measures while maintaining the listing of the Company Shares, doing so entails considerable uncertainty. By delisting the Company Shares through the Transaction, the Company can eliminate such uncertainty, thereby enabling the Company to more reliably and expeditiously advance the governance reforms, including the firm-wide embedding of measures to prevent recurrence, as well as growth investments, further increasing the feasibility thereof. Delisting the Company Shares is also expected to reduce the expenses required to maintain the listing of the Company Shares (such as expenses required for the preparation of securities reports and other forms of continuous information disclosure, audit expenses, and expenses for operating shareholders meetings and entrusting administrative work to the shareholder register administrator, etc.).

It should be noted that if the Company Shares are delisted, the Company would no longer be able to raise capital through equity financing in the capital markets, and the delisting may have impact on its efforts to secure excellent talent and expand business partners that were made possible by improved social credibility and name recognition, which the Company has enjoyed as a listed company. However, given the Company's current cash-generation power and the state of financing through financial institutions, the Company believes there is no particular concern in terms of raising capital. With regard to social recognition and credibility, the Company believes it has gained sufficient trust from its customers and business partners through its business activities thus far and being a listed company is not what underpins the brand value of the Company; accordingly, the impact from delisting of the Company Shares will be limited.

Given the above, the Company's Board of Directors has determined that delisting the Company Shares through the Transaction including the Tender Offer would contribute to enhancing the Company's corporate value. Since the disclosure of the Press Release Dated June 19, 2026, the Company has been working to rebuild its governance foundation with the aim of remedying the deficiencies in its internal controls through the steady implementation of the measures to prevent recurrence, and has also been proceeding with preparations for applying for reexamination. Until the Tender Offer is successfully completed, the Company plans to continue, in parallel with the Transaction, to make the preparations and take the actions necessary for the reexamination. The Company intends to steadily proceed to remedy the deficiencies in internal controls and rebuild the governance foundation through the measures to prevent recurrence even after the Tender Offer is successfully completed.

In view of the following matters and other factors, the Company has also determined that the Tender Offer Price, and other terms and conditions of the Tender Offer are appropriate.

[i] The Tender Offer Price exceeds the upper limit of the valuation results under the market price method [i], and is an amount within the range of the valuation results under the market price method [ii] and DCF method, among the valuation results for the value of the Company Shares stated in the Share Valuation Report (Daiwa Securities) described in "[i] The Company's Obtainment of Share Valuation Report from an Independent Third-Party Calculation Agency" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below;

[ii] The Tender Offer Price exceeds the upper limit of the valuation results under the market price method [i], and is an amount within the range of the valuation results under the market price method [ii] and DCF method, among the valuation results for the value of the Company Shares stated in the Share Valuation Report (Plutus Consulting) described in "[v] The Special Committee's Obtainment of Share Valuation Report from an Independent Third-Party Calculation Agency" under "(3) Measures for Ensuring the Fairness of the Tender Offer" below;

[iii] Using September 14, 2026 as the reference date, a date considered not to have been affected by speculative reports regarding the delisting of the Company Shares published by certain media outlets on September 15, 2026, the Tender Offer Price is a price representing a premium of 55.68% to the closing price of 1,444 yen of the Company Shares on the TSE Prime Market on that date; of 55.46% to the simple average of the closing

prices of 1,446 yen for the past one month up to that date; of 70.17% to the simple average of the closing prices of 1,321 yen for the past three months up to that date; and of 80.56% to the simple average of the closing prices of 1,245 yen for the past six months up to that date, and such premium level is deemed to be comparable to the median premium levels in 109 cases of MBO announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines" (42.41% to the closing price on the business day immediately preceding the announcement date, 44.68% to the simple average of the closing prices for the past one month, 46.84% to the simple average of the closing prices for the past three months, and 49.16% to the simple average of the closing prices for the past six months);

[iv] The Tender Offer Price is a price that was raised by 548 yen (32.24%) from the initial proposed price (1,700 yen) as a result of multiple rounds of discussions and negotiations with Integral held with the substantive involvement of the Special Committee, after the measures described in "(3) Measures for Ensuring the Fairness of the Tender Offer" below were taken;

[v] As described in "[iii] Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" under "(3) Measures for Ensuring the Fairness of the Tender Offer" below, the Report obtained from the Special Committee also expresses the opinion that the Tender Offer Price and other terms and conditions of the Transaction are fair

[vi] The Tender Offer Period is set at 30 business days, which is longer than the statutory minimum of 20 business days, so that the Company's shareholders are ensured an appropriate opportunity to decide whether to tender their shares in the Tender Offer.

[vii] Using February 10, 2026 as the reference date, which is a date considered not to have been affected by the "Notice Regarding the Establishment of a Special Investigation Committee and the Postponement of the Announcement of Full-Year Financial Results for the Fiscal Year Ending December 2025" published on February 12, 2026, the Tender Offer Price is a price representing a premium of 61.73% to the closing price of 1,390 yen of the Company Shares on the TSE Prime Market on the reference date; of 66.15% to the simple average of the closing prices of 1,353 yen for the past one month up to that date; of 62.55% to the simple average of the closing prices of 1,383 yen for the past three months up to that date; and of 58.53% to the simple average of the closing prices of 1,418 yen for the past six months up to that date, and such premium level is deemed to be not particularly lower than the premium levels in [iii] above. Such notice, and the "Notice Regarding Entry into a Grace Period Pertaining to Reexamination due to Violation against a Written Oath and the Imposition of Listing Agreement Violation Penalty" dated June 19, 2026 and the "Notice Regarding Decision by the Financial Services Agency to Issue an Order for Payment of an Administrative Monetary Penalty" dated September 17, 2026 were issued, without any regard to the Transaction, when such disclosure was required, and were not issued in order for the Company to intentionally lower the market price of Company Shares.

On the other hand, the Tender Offer Price represents a discount (11.15%) to the closing price of 2,530 yen of the Company Shares on the TSE Prime Market on November 19, 2026, the business day immediately preceding today. Although the price of the Company Shares has risen sharply since September 15, 2026, the date on which certain media outlets published the Speculative Reports regarding the delisting of the Company Shares, there have been no particular corporate actions or disclosures that could account for such a sharp rise in the share price and the Company recognizes that, aside from the speculative reports, there are no other factors that could explain the rise in the share price. Accordingly, it is possible that the current market price of the Company Shares has been affected to a considerable degree by factors such as expectations regarding the Tender Offer. On the other hand, as described in [iii] above, the Tender Offer Price is a price which represents a considerable premium when September 14, 2026, a date on which the market price of the Company Shares is considered not to have been affected by those speculative reports, is used as the reference date, and the Company takes the view that it is not at a level that should be deemed unreasonable. Nevertheless, the Company has reached a conclusion that it is appropriate to take a neutral position as to whether to recommend that shareholders tender their shares in the Tender Offer, and to leave the decision of whether or not to tender their shares in the Tender Offer ultimately to the judgment of the Company's shareholders. With respect to the Share Options, since the Share Option Purchase Price has been set at 1 yen, the Company has concluded that it is appropriate to leave the decision of whether or not to tender their share options in the Tender Offer to the judgment of the Share Option Holders.

Considering the above, at the meeting of the Board of Directors held today, the Company resolved to express an opinion in support of the Tender Offer and to take a neutral position as to whether to recommend that the Company's shareholders and Share Option Holders tender their shares or Share Options in the Tender Offer and to leave that decision to the judgement of the Company's shareholders and the Share Option Holders.

For the above resolution of the Board of Directors, please refer to "[vi] Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)" in "(3) Measures for Ensuring the Fairness of the Tender Offer" below.

(3) Measures for Ensuring the Fairness of the Tender Offer

Because the Tender Offer is to be conducted as part of a transaction constituting a management buyout (MBO) and the Non-Tendering Shareholders, the controlling shareholders of the Company, will not tender their shares in the Tender Offer, there are inherent issues of structural conflicts of interest and information asymmetry. In light of this, and with a view to ensuring the fairness of the Tender Offer Price and eliminating arbitrariness and conflicts of interest in the

decision-making process leading to the decision to implement the Tender Offer, Tender Offeror and the Company conducted the following measures for ensuring the fairness of the Transaction including the Tender Offer.

It should be noted that Tender Offeror believes that setting a minimum number of shares to be purchased in the Tender Offer that would represent a so-called Majority of Minority ("MoM") would make success of the Tender Offer uncertain and in fact may not be in the interests of the Company's general shareholders who wish to tender their shares in the Tender Offer, and thus Tender Offeror has not set an MoM minimum number of shares to be purchased in the Tender Offer. Tender Offeror also states that it has not set a minimum number of shares to be purchased in the Tender Offer in order to provide shareholders of the Company who wish to sell their shares through the Tender Offer with a certain opportunity to do so.

If, after a tender offer is successfully completed, there is no expectation that a squeeze-out will be conducted at the same price as the tender offer price, shareholders who do not tender their shares have no assurance of receiving an amount of cash equal to the tender offer price through the squeeze-out, and may come under pressure to tender their shares even if they are dissatisfied with the tender offer price, which is the so-called issue of coerciveness. In this regard, as described in "[i] Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion," Tender Offeror believes that, as the sum of the number of voting rights in the Company held by the Non-Tendering Shareholders, *plus* the number of voting rights associated with the number of Company Shares held by passive index funds exceed the number of voting rights required for approving and adopting a special resolution for the Share Consolidation at a general meeting of shareholders, the proposal relating to the Share Consolidation will be approved even if no minimum number of shares to be purchased is set.

The Company carefully examined, taking into account the opinion of the Special Committee, whether coerciveness would arise from not setting a minimum number of shares to be purchased, and has concluded as follows.

Given that in the above calculations, the voting rights exercise ratio of 73.61% assumed by Tender Offeror in the estimate referred to above as the basis for the number of voting rights considered to be necessary to approve and adopt a special resolution for the Share Consolidation at a general meeting of shareholders is the maximum voting rights exercise ratio of shareholders other than the Non-Tendering Shareholders at the ordinary general meetings of shareholders over the past five years, and is at a level significantly higher than the 44.88% voting rights exercise ratio of shareholders other than the Non-Tendering Shareholders at the most recent 19th Ordinary General Meeting of Shareholders, the Company takes the view that Tender Offeror has made a conservative assumption, and that Tender Offeror's explanation that the proposal relating to the Share Consolidation is expected to be approved even if no minimum number of shares to be purchased is set is reasonable to a considerable extent. The Company also believes that no particularly unreasonable aspects are observed in the method for estimating the recent total number of Company Shares owned by passive index funds, and Tender Offeror's approach to the possibility of exercising the voting rights to support the proposal for the Share Consolidation. In addition, taking into account that, even if the proposal relating to the Share Consolidation were disapproved at the Extraordinary General Shareholders Meeting, Tender Offeror intends, in principle, to additionally acquire Company Shares at the same price as the Tender Offer Price and to aim to take the Company private as promptly as practicable, the Company does not believe that the absence of a minimum number of shares to be purchased in the Tender Offer necessarily gives rise to issues of coerciveness.

As described above, although no minimum number of shares to be purchased, including the MoM minimum number of shares to be purchased, is set in the Tender Offer, Tender Offeror and the Company have implemented the measures described below to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Company therefore believes that full consideration has been given to the interests of the Company's general shareholders. The following statements of the measures implemented by Tender Offeror are based on explanations received from Tender Offeror.

[i] The Company's Obtainment of Share Valuation Report from an Independent Third-Party Calculation Agency

(i) Name of the Calculation Agency and its Relationship with the Company and Tender Offeror

Prior to expressing an opinion on the Tender Offer, the Company requested Daiwa Securities, its financial advisor and third-party calculation agency independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company and of the outcome of the Transaction, to calculate the value of the Company Shares, and the Company obtained the Share Valuation Report (Daiwa Securities) dated November 19, 2026. Daiwa Securities does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders or the Company, and has no material interests in the Transaction including the Tender Offer. Because other measures for ensuring the fairness of the Tender Offer Price and avoiding conflicts of interest were taken for the Transaction, the Company believed that full consideration has been given to the interests of the Company's general shareholders and thus did not obtain a fairness opinion regarding the Tender Offer Price from Daiwa Securities. It should be noted that the Transaction-related fees paid to Daiwa Securities include contingency fees to be paid contingent upon the successful completion etc. of the Transaction. Taking into consideration, among other things, general practice in similar transactions, the Company appointed Daiwa Securities as its financial advisor and third-party calculation agency using the above fee structure. Further, the Special Committee approved Daiwa Securities as the Company's financial advisor and third-party calculation agency at its second meeting held on September 8, 2026 after confirming that there are no issues with respect to the independence or expertise of Daiwa Securities.

(ii) Overview of Calculation

After considering which calculation methods to use from among several methods in calculating the value of the Company Shares, and based on the thinking that it would be appropriate to analyze the value of the Company Shares

from a multifaceted approach, Daiwa Securities analyzed the value of the Company Shares using (i) the market price method because the Company Shares are listed on the TSE Prime Market and thus have a market price;; and (ii) the DCF method, in order to reflect the Company's performance and performance forecasts on the evaluation.

The per-share value of the Company Shares as computed using the above methods ranged as follows.

Market price method [i]:	1,245 yen to 1,446 yen
Market price method [ii]:	1,659 yen to 2,530 yen
DCF method:	1,745 yen to 2,883 yen

Under the market price method, [i] using September 14, 2026 as the reference date, a date on which the market price of the Company Shares is considered not to have been affected by the speculative reports regarding the delisting of the Company Shares published by certain media outlets on September 15, 2026, the per-share value of the Company Shares was calculated to range from 1,245 yen to 1,446 yen, based on the closing price of the Company Shares on the TSE Prime Market on the reference date (1,444 yen), the simple average closing price for the one-month period preceding the reference date (1,446 yen), the simple average closing price for the three-month period preceding the reference date (1,321 yen), and the simple average closing price for the six-month period preceding the reference date (1,245 yen), and [ii] using November 19, 2026 as the reference date, a business day immediately preceding the date of announcement of the Tender Offer, the per-share value of the Company Shares was calculated to range from 1,659 yen to 2,530 yen, based on the closing price of the Company Shares on the TSE Prime Market on the reference date (2,530 yen), the simple average closing price for the one-month period preceding the reference date (2,423 yen), the simple average closing price for the three-month period preceding the reference date (2,067 yen), and the simple average closing price for the six-month period preceding the reference date (1,659 yen).

Under the DCF method, on the basis of financial forecasts set forth in the Company's business plan for the fiscal year ending December 31, 2026 through the fiscal year ending December 31, 2030 ("Business Plan"), recent performance trends, publicly available information and other factors, the Company's corporate value and share value were calculated by discounting the free cash flow that the Company is expected to generate from the fourth quarter of the fiscal year ending December 31, 2026 onward to present value by a certain discount rate, and the per-share value of the Company Shares was calculated to range from 1,745 yen to 2,883 yen. For the discount rate, the weighted average cost of capital was used, and the rates ranged from 9.50% to 12.50%, as calculated to include a size risk premium taking the size of the Company into account. In calculating the terminal value, the constant-rate growth model was used, and the Company's terminal value was calculated to range from 47,076 million yen to 70,417 million yen based on a perpetual growth rate of 1.0% to 2.0%, taking into account factors such as the domestic inflation rate and the growth rate of the industry in which the Company operates. As an asset of significance, cash and deposits are included in the calculation of stock value after deducting the amount of cash and deposits used for business operations, which was estimated comprehensively taking into account the Company's past cash flow performance and other factors.

The Business Plan that Daiwa Securities used for its valuation under the DCF method was prepared by the Company's director who serves as executive officer and CFO and the heads of the business divisions, for the purpose of valuing the Company's shares in the Transaction and without the involvement of Tender Offeror or the Non-Tendering Shareholders, and was approved at the meeting of the Company's Board of Directors held on October 6, 2026. For the fiscal year ending December 2026, the full-year earnings forecast for that period approved at the meeting of the Company's Board of Directors held on November 11, 2026 has been used in place of the figures in the Business Plan. The Business Plan covers the five fiscal years from the fiscal year ending December 31, 2026 to the fiscal year ending December 31, 2030, as a period over which it is possible to make reasonable future projections based on the effects of growth initiatives and profitability improvements for each business segment. In formulating the Business Plan, the Company anticipates sales growth through the launch of new brands and products, the expansion of D2C and existing export models, and the expansion of sales channels, taking into account the market environment and competitive landscape for each business, and the Company also assumes that profitability will improve through cost reductions, more efficient use of advertising investments, and operational efficiencies achieved through the use of AI and other measures. The rollout of new brands and new initiatives has been incorporated into the Business Plan, taking into account their feasibility and associated uncertainties. The Business Plan was prepared on a standalone basis without assuming the execution of the Transaction, except for the listing maintenance costs, and the impact of M&A (acquisition and sale) is not incorporated.

The financial forecasts based on the Business Plan that Daiwa Securities used for its analysis under the DCF method are as follows. The financial forecasts include fiscal years in which a large increase in revenue and a substantial rise free cash flow are projected compared to the previous fiscal year. Specifically, for the fiscal years ending December 2028 and December 2029, the Company anticipates a significant increase in operating profit, driven not only by revenue growth resulting from the launch of new brands and products and the expansion of businesses such as D2C, but also by keeping the growth in personnel and fixed costs below the rate of sales growth through improvements in cost efficiency, advertising investment efficiency and operational efficiency. The Company also anticipates a significant increase in free cash flow for the fiscal year ending December 2029, primarily due to the rise in operating income.

Moreover, because it is difficult at present to estimate specifically the synergy effects expected to be realized through the execution of the Transaction, except for the listing maintenance costs, these are not factored into the financial forecasts or into Daiwa Securities' valuation based on these financial forecasts. With respect to the financial

forecasts, the Special Committee, with advice from Plutus Consulting, had question-and-answer sessions with the Company regarding the details of said forecasts and the process of their preparation, and confirmed their reasonableness and approved them at its fifth meeting held on October 6, 2026.

The Business Plan sets targets that are significantly different from the 2030 targets (net sales of 100 billion yen and operating profit of 11 billion yen) in the FY2025 Earnings Outlook and Summary of Medium-Term Management Policy that the Company released on February 12, 2026. This is because the 2030 targets were not built up from figures in different divisions but were set as medium-to-long-term visions that management aimed toward, whereas the Business Plan is based on building up of figures from different divisions and incorporates the rollout of new brands and new initiatives into the projected figures, with their feasibility taken into account.

(Unit: million yen)

	FY2026 (three months)	FY2027	FY2028	FY2029	FY2030
Net sales	15,723	62,995	72,693	81,146	90,172
Operating profit	▲1,049	2,082	3,619	5,409	6,679
EBITDA	▲646	3,827	5,364	7,154	8,424
Free cash flow	▲1,791	1,660	1,556	3, 041	3,748

(Note) In calculating the value of the Company Shares, Daiwa Securities in principle used information provided by the Company and publicly available information etc. as is, assumed that these materials and information etc. were all accurate and complete, and did not independently carry out any verification of their accuracy or completeness. In addition, Daiwa Securities assumed that the information relating to the Company's financial forecasts was reasonably prepared based on the best forecasts and judgments available to the Company's management at the present time. Daiwa Securities did not independently evaluate or assess the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent obligations) of the Company and its related companies, nor did it request any third-party agency to appraise or assess them.

(iii) Overview of Calculation for Share Options

The Company has been given an explanation from Tender Offeror that each Share Option Purchase Price has been set at 1 yen since Tender Offeror would be unable to exercise the Share Options even if it acquired them. In light of such explanation, the Company has not obtained a valuation report or opinion (fairness opinion) from a third-party calculation agency with respect to the Share Option Purchase Prices.

Although the acquisition of any Share Options by assignment requires the approval of the Company's Board of Directors, at the meeting of the Board of Directors held today, the Company resolved to comprehensively approve the assignment of the Share Options held by the Share Option Holders to Tender Offeror by tendering them in the Tender Offer, subject to the successful completion of the Tender Offer and limited to those Share Options actually tendered in the Tender Offer by the Share Option Holders.

[ii] Advice to the Company from an Independent Law Firm

With the aim of ensuring the fairness and appropriateness of the Board of Directors' decision-making, the Company appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and of the outcome of the Transaction, and has received legal advice including advice on measures to be taken to ensure the fairness of the procedures for the Transaction, the various procedures of the Transaction, and the Company's decision-making manner and process pertaining to the Transaction.

It should be noted that Nakamura, Tsunoda & Matsumoto does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders or the Company, and has no material interest in the Transaction including the Tender Offer. The fees paid to Nakamura, Tsunoda & Matsumoto do not include contingency fees to be paid contingent upon the successful completion etc. of the Transaction. At its second meeting held on September 8, 2026, the Special Committee confirming that there are no issues with respect to the independence and expertise of Nakamura, Tsunoda & Matsumoto and approved the firm as the Company's legal advisor.

[iii] Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee

(i) Course of Events Leading to the Establishment of the Special Committee

As described in "[iii] Decision-Making Process Leading to the Company's Support of the Tender Offer; Reasons" in "(2) Basis and Reasons for the Opinion" above, seeking to exercise caution in the Company's decision-making regarding the transaction for delisting the Company Shares, and with the aim of eliminating the risk of arbitrariness and conflicts of interest in the decision-making process of the Company's Board of Directors, and ensuring fairness therein, the Company, based on the August 26, 2026 resolution of the Board of Directors, established the Special Committee consisting of five independent outside directors of the Company, namely, Mr. Naoki Watanabe (Audit and Supervisory Committee Member, partner of Aquaxis Law Office), Mr. Hiroshi Sasamata (Senior Partner of Consumer Goods Practice, A.T. Kearney K.K., and Leader of Energy Practice, Tokyo Office), Mr. Koichi Mizutome (outside director of

Sapporo Breweries Ltd.), Mr. Kohei Omori (Audit and Supervisory Committee Member) and Ms. Noriko Yamanaka (Audit and Supervisory Committee Member, certified public accountant, and outside director of Citizen Watch Co., Ltd.) independent of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and of the outcome of the transaction for delisting the Company Shares. Mr. Naoki Watanabe was appointed as the chair of the Special Committee by mutual vote among the Special Committee members. It should be noted that the compensation paid to the Special Committee members consists of fixed fees and does not include any contingency fee. The Company appointed these five directors as the Special Committee members upon its establishment, and the composition of the Special Committee has not changed since.

The Company requested that the Special Committee (a) first consider whether the transaction for delisting the Company Shares would contribute to enhancing the Company's corporate value, and then consider whether the Company's Board of Directors should support the tender offer for delisting the Company Shares and whether it should recommend that the Company's shareholders (as the Share Options were subsequently included in the Tender Offer, the Special Committee has replaced this with "the Company's shareholders and Share Option Holders") tender their shares in the tender offer for delisting the Company Shares, and report its findings to the Company's Board of Directors, and (b) consider whether the transaction for delisting the Company Shares is fair to the general shareholders of the Company (as the Share Options were subsequently included in the Tender Offer, the Special Committee has replaced this with "the Company's shareholders and Share Option Holders"), and express its opinion to the Company's Board of Directors. (In the report and opinion above, (i) whether the transaction for delisting the Company Shares would contribute to enhancing the Company's corporate value (including the validity and reasonableness of the purpose), (ii) the fairness of the procedures for the transaction for delisting the Company Shares, and (iii) the fairness of the tender offer price for delisting the Company Shares and other terms and conditions of the transaction for delisting the Company Shares shall be taken into consideration. If the Special Committee determines it necessary or appropriate depending on the state of negotiations for the transaction for delisting the Company Shares or other circumstances, the Special Committee may add to or change the request above; collectively, "Delegated Matters".)

The Company's Board of Directors also resolved to make decisions pertaining to the transaction for delisting the Company Shares with the utmost respect for the determinations of the Special Committee, and, if the Special Committee determines that any of the terms and conditions of the transaction for delisting the Company Shares is not appropriate, not to approve the transaction for delisting the Company Shares on such terms and conditions (including not supporting the Tender Offer).

Additionally, by the above resolution of the Board of Directors, the Company granted the Special Committee (a) the authority to negotiate the terms and conditions, etc. of the transaction for delisting the Company Shares with the counterparty of the transaction for delisting the Company Shares (including indirect negotiations through the Company's officers, employees, and advisors), (b) the authority to appoint its own financial or legal advisors ("Advisors etc."), as necessary, in considering the Delegated Matters (the Company shall bear the expenses therefor), or to nominate or approve (including after-the-fact approval) the Company's Advisors etc. (if the Special Committee confirms that there are no issues with respect to the independence and expertise of the Company's Advisors etc., the Special Committee may seek professional advice from the Company's Advisors etc.), (c) the authority to require any person whom the Special Committee deems necessary to attend its meetings and explain necessary information, (d) the authority to receive from the Company Group's officers and employees any information reasonably necessary for its consideration of, and determinations pertaining to, the transaction for delisting the Company Shares, and (e) the authority concerning any other matters the Special Committee deems necessary for its consideration of, and determinations pertaining to, the transaction for delisting the Company Shares.

(ii) Process of Consideration by the Special Committee

The Special Committee held a total of 12 meetings from August 26, 2026, to November 19, 2026, carefully discussing and considering the Delegated Matters. Specifically, at the first meeting held on August 26, 2026, the Special Committee appointed LBX Legal Advisors as its legal advisor after confirming that there are no issues with respect to the firm's independence and expertise. At the second meeting held on September 8, 2026, the Special Committee approved Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, and Daiwa Securities, the Company's financial advisor and third-party calculation agency, as the Company's legal advisor and the Company's financial advisor and third-party calculation agency, respectively, because there were no issues with respect to the independence or expertise of both companies, and also confirmed that the Special Committee itself may also receive professional advice from them as necessary. At the third meeting held on September 16, 2026, the Special Committee appointed Plutus Consulting as its financial advisor and third-party calculation agency after confirming that there are no issues with respect to the independence or expertise of the firm. The Special Committee received explanations from LBX Legal Advisors regarding the role etc. of a special committee, and, in light of legal advice on the decision-making process and method for the Transaction and other points to be noted in making decisions pertaining to the Transaction, the Special Committee considered measures to be taken to ensure the fairness of the procedures for the Transaction.

On September 16, 2026, prior to the determination of the candidate to advance to the second bid process, the Special Committee submitted to the Non-Tendering Shareholders written questions with regard to the outline of the First Bid Process, and the appropriateness of the process and results of the selection of the sponsor candidates, and on September 24, 2026, the Special Committee received the responses to those questions from the Non-Tendering Shareholders.

Further, after receiving a report from Plutus Consulting on the results of its validation through written questions and answers as well as interviews, the Special Committee confirmed that the Business Plan was prepared without the involvement of Tender Offeror and the Non-Tendering Shareholders, that the Business Plan was prepared on a

standalone basis without assuming the execution of the Transaction (excluding the effect of reducing expenses required for maintaining the listing), and that there are no unreasonable aspects in the primary conditions precedent, the Special Committee approved the Business Plan at the fifth meeting held on October 6, 2026.

On October 21, 2026, the Special Committee, together with the Company, sent to Tender Offeror and the Non-Tendering Shareholders questions concerning the background and purpose of the Transaction, the managerial policy after the implementation of the Transaction, the effects of the implementation of the Transaction, the structure, schedule and terms and conditions of the Transaction, the basic policy regarding the Tender Offer Price, the measures for ensuring the fairness of the Transaction, and other matters, and on October 26, 2026, received written responses to those questions from Tender Offeror and the Non-Tendering Shareholders. On October 27, 2026, the Special Committee also conducted interviews with Tender Offeror and Mr. Onishi with regard to the content of those responses and other matters. As described in "[iii] Decision-Making Process Leading to the Company's Support of the Tender Offer; Reasons" in "(2) Basis and Reasons for the Opinion" above, with regard to the price proposal received from Integral, the Special Committee negotiated with Integral the Tender Offer Price and the Share Option Purchase Price by demanding a raise of the proposed price, for example. As a result, on November 19, 2026, the Special Committee received a final proposal from Integral setting the Tender Offer Price at 2,248 yen. The Special Committee also received explanations from Daiwa Securities and Plutus Consulting regarding the valuation methods and results they each employed to determine the value of the Company Shares, and following a question-and-answer session, deliberation and review, the Special Committee has confirmed the reasonableness of these valuations.

(iii) Determinations by the Special Committee

In the course of circumstances above, the Special Committee carefully discussed and considered the Delegated Matters, and unanimously submitted the Report dated November 20, 2026 to the Company's Board of Directors. For details of the Report including the reasons therefor, please refer to Attachment 1.

[iv] Advice to the Special Committee from an Independent Law Firm

As described in "[iii] Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" above, the Special Committee appointed LBX Legal Advisors as a legal advisor independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, as well as the outcome of the Transaction, and received legal advice on measures to be taken to ensure the fairness of the procedures for the Transaction, and on its consideration and deliberation regarding the Delegated Matters. LBX Legal Advisors does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and has no material interest in the Transaction including the Tender Offer. The compensation paid to LBX Legal Advisors is calculated by multiplying work hours by the hourly rate, regardless of the outcome of the Transaction, and does not include any contingency fee to be paid contingent upon the successful completion of the Transaction.

[v] The Special Committee's Obtainment of Share Valuation Report from an Independent Third-Party Calculation Agency

(i) Name of the Calculation Agency and its Relationship with the Company and Tender Offeror

In considering the Delegated Matters, to ensure the appropriateness of the terms and conditions of the Transaction including the Tender Offer Price, the Special Committee requested a valuation of the Company Shares from Plutus Consulting, the financial advisor and third-party calculation agency independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and obtained the Share Valuation Report (Plutus Consulting) dated November 19, 2026. It should be noted that Plutus Consulting does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and has no material interest in the Transaction including the Tender Offer. The compensation paid to Plutus Consulting in connection with the Transaction is limited to a fixed fee paid regardless of the outcome of the Transaction and does not include any contingency fee to be paid contingent upon the successful completion etc. of the Transaction including the Tender Offer.

(ii) Overview of Calculation

After considering which calculation methods to use from among several methods in calculating the value of the Company Shares, Plutus Consulting analyzed the value of the Company Shares using (i) the market price method because the Company Shares are listed on the TSE Prime Market and thus have a market price; and (ii) the DCF method, in order to reflect the state of future business activities of the Company on the evaluation. The per-share value of the Company Shares as computed using the above methods ranged as follows.

Market price method [i]:	1,245 yen to 1,446 yen
Market price method [ii]:	1,659 yen to 2,530 yen
DCF method:	2,047 yen to 3,904 yen

Under the market price method, [i] using September 14, 2026 as the reference date, a date on which the market

price of the Company Shares is considered not to have been affected by the speculative reports regarding the delisting of the Company Shares published by certain media outlets on September 15, 2026, the per-share value of the Company Shares was calculated to range from 1,245 yen to 1,446 yen, based on the closing price of the Company Shares on the TSE Prime Market on the reference date (1,444 yen), the simple average closing price for the one-month period preceding the reference date (1,446 yen), the simple average closing price for the three-month period preceding the reference date (1,321 yen), and the simple average closing price for the six-month period preceding the reference date (1,245 yen), and [ii] using November 19, 2026 the business day immediately preceding the date of announcement of the Tender Offer as the valuation reference date, the per-share value of the Company Shares was calculated to range from 1,659 yen to 2,530 yen, based on the closing price of the Company Shares on the TSE Prime Market on the reference date (2,530 yen), the simple average closing price for the one-month period preceding the reference date (2,423 yen), the simple average closing price for the three-month period preceding the reference date (2,067 yen), and the simple average closing price for the six-month period preceding the reference date (1,659 yen).

Under the DCF method, on the basis of revenue forecasts and investment plans set forth in the Business Plan which covers the fiscal years ending December 2026 through December 2030, prepared by the Company for the period that was reasonably foreseeable at the time of its preparation, publicly available information and other factors, the Company's corporate value and share value were calculated by discounting the free cash flow that the Company Group is expected to generate from the fourth quarter of the fiscal year ending December 31, 2026 onward to present value by a certain discount rate, and the per-share value of the Company Shares was calculated to range from 2,047 yen to 3,904 yen. For the discount rate, the weighted average cost of capital was used, and the rates ranged from 8.1% to 9.4%. In calculating the terminal value, it has been calculated to be between 41,276 million yen and 85,873 million yen based on the perpetual growth rate method and the multiples method. The growth rate range used in the perpetual growth rate method is assumed to be 0% to 1%, with the minimum value being based on the theoretically assumed long-term economic environment, and the maximum value being based on inflation rates, demographic trends, and other macroeconomic factors. Under the multiples approach, the EV/EBIT and EV/EBITDA multiples relative to enterprise value were adopted, and based on industry benchmarks and other factors, the EV/EBIT multiple range was set at 5.7x to 11.3x and the EV/EBITDA multiple range was set at 4.9x to 8.6x. In addition, surplus cash and deposits have been included as non-operating assets after deducting necessary working capital (estimated by comprehensively taking into account the Company's past cash flow performance and other factors).

The Business Plan that Plutus Consulting used for its valuation under the DCF method was, with the aim of considering the appropriateness of the terms and conditions of the Transaction, prepared by the Company's directors, executive officers and CFO, as well as the heads of each business unit, without any involvement of Tender Offeror or the Non-Tendering Shareholders, and was approved at a meeting of the Company's Board of Directors held on October 6, 2026. For the fiscal year ending December 2026, the full-year earnings forecast for that period approved at the meeting of the Company's Board of Directors held on November 11, 2026 has been used in place of the figures in the Business Plan. The planning period for the Business Plan spans five fiscal years, from the fiscal year ending December 2026 through the fiscal year ending December 2030, a timeframe selected to reflect the effects of growth initiatives and profitability improvements for each business and to allow for reasonable future projections. In formulating the Business Plan, the Company has projected revenue growth driven by the introduction of new brands and products, the expansion of D2C and existing export models, and the broadening of sales channels, accounting for the market environment and competitive landscape of each business segment, and the Business Plan also assumes an improvement in profitability, achieved through better cost management, enhanced efficiency in advertising investments, and operational streamlining, including the use of AI. The development of new brands and the implementation of new initiatives have been incorporated into the Business Plan, taking into account their feasibility and uncertainties. It should be noted that the Business Plan has been prepared on a standalone basis without assuming the execution of the Transaction (excluding the effect of reducing expenses required for maintaining the listing), and does not account for the impact of any M&A activity (acquisitions or divestitures). Although it differs from the targets for 2030 (net sales of 100 billion yen and operating profit of 11 billion yen) stated in the "FY2025 Earnings Outlook and Summary of Medium-Term Management Policy" announced by the Company on February 12, 2026, this discrepancy stems from the fact that, while those targets were not formulated by aggregating the individual business segments but were set by the management as a vision for the medium to long term it aims to achieve, the Business Plan was formulated on the basis of a bottom-up aggregation of each business segment, incorporating the feasibility and other factors related to the rollout of new brands and new initiatives into the planned figures.

The financial forecasts based on the Company's Business Plan that Plutus Consulting used for its analysis under the DCF method are as follows. The financial forecasts include fiscal years in which a large increase in revenue and a substantial rise in free cash flow are projected compared to the previous fiscal year. Specifically, operating income is expected to rise significantly in the fiscal years ending December 2028 and December 2029, and free cash flow is expected to increase substantially in the fiscal year ending December 2029. This is because, in addition to revenue growth driven by the launch of new brands and products and the expansion of business areas such as D2C, the increased in personnel and fixed costs are kept below the rate of sales growth through improvements in cost efficiency, advertising investment efficiency and operational efficiency. Moreover, because it is difficult at present to specifically estimate the synergy effects expected to be realized through the execution of the Transaction on revenue, except for the listing maintenance costs, they are not factored into the Business Plan.

(Unit: million yen)

	FY 2026 (three months)	FY 2027	FY 2028	FY 2029	FY 2030
Net sales	15,723	62,995	72,693	81,146	90,172
Operating profit	▲1,049	2,082	3,619	5,409	6,679
EBITDA	▲646	3,827	5,364	7,154	8,424
Free cash flow	▲1,385	2,783	2,397	3,711	4,484

(Note) In calculating the value of the Company Shares, Plutus Consulting in principle used information provided by the Company and publicly available information etc. as is, assumed that such information etc. was all accurate and complete, and did not independently carry out any verification of the accuracy or completeness. Plutus Consulting did not independently evaluate, appraise or assess the assets and liabilities (including contingent obligations) of the Company and its related companies, including analysis and evaluation of individual assets and liabilities. In addition, Plutus Consulting assumed that the information relating to the Company's financial forecasts was reasonably prepared based on the best forecasts and judgments available to the Company's management other than Tender Offeror and the Non-Tendering Shareholder at the present time. Nevertheless, with regard to the Business Plan used as the basis for the calculation, Plutus Consulting has held in multiple rounds of question-and-answer sessions with the Company, and Plutus Consulting has analyzed and reviewed the Business Plan from the perspective of whether it was reasonably prepared based on the best forecasts and judgments available at the time of its preparation by the Company's directors, executive officers, CFO and heads of each business unit (excluding Tender Offeror and the Non-Tendering Shareholders), and whether there are any unreasonable aspects in light of the Company's current situation. In addition, the Special Committee has conducted a question-and-answer session with the Company and has verified the reasonableness of the Business Plan's content, key assumptions, and the process by which it was prepared. Plutus Consulting's valuation of the Company Shares is based on the above information etc. and economic conditions available up to November 19, 2026.

[vi] Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)

In light of the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice from a financial perspective and the Share Valuation Report (Daiwa Securities) received from Daiwa Securities, the Share Valuation Report (Plutus Consulting) received via the Special Committee, the Report obtained from the Special Committee, the repeated discussions with Tender Offeror, and other related materials, the Company carefully discussed and considered whether the Transaction including the Tender Offer by Tender Offeror would contribute to enhancing the Company's corporate value, and whether the terms and conditions of the Transaction including the Tender Offer Price and the Share Option Purchase Prices are fair, and as a result, as described in "[iii] Decision-Making Process Leading to the Company's Support of the Tender Offer; Reasons" in "(2) Basis and Reasons for the Opinion" above, at the meeting of the Company's Board of Directors held today, the Company resolved to express an opinion in support of the Tender Offer, and to take a neutral position as to whether to recommend that the Company's shareholders and Share Option Holders tender their shares or share options in the Tender Offer and to leave that decision to the judgment of the Company's shareholders and Share Option Holders.

Among the eight directors of the Company (three of whom are also Audit and Supervisory Committee Members), Mr. Onishi has an interest in the Transaction and therefore, in order to avoid any potential conflict of interest and to ensure the fairness of the Transaction, he did not participate in deliberations or resolutions pertaining to the Transaction at the above meeting of the Company's Board of Directors. Additionally, he did not participate in any discussions or negotiations with Tender Offeror regarding the Transaction in the capacity of the Company. The above resolution of the Board of Directors was adopted unanimously by all seven directors in attendance (including the three directors who are Audit and Supervisory Committee Members), other than Mr. Onishi .

[vii] Establishment of an Independent Consideration System at the Company

The Company established an internal system for considering, negotiating and making determinations regarding the Transaction from a standpoint independent of Tender Offeror in order to eliminate structural conflicts of interest. Specifically, among the directors of the Company, Mr. Onishi has an interest in the Transaction and therefore did not participate in any Board of Directors deliberations or resolutions pertaining to the Transaction, nor did he participate in any discussions or negotiations with Tender Offeror in the capacity of the Company. Such consideration system consists solely of officers and employees (regarding the directors of the Company, seven directors, excluding Mr. Onishi) who are considered independent of Tender Offeror and the Non-Tendering Shareholders, and such treatment has continued since Mr. Onishi on August 17, 2026 requested the establishment of a special committee. The Company's consideration system (including the scope and job duties of the Company's officers and employees who are involved in considering, negotiating and making determinations regarding the Transaction) is based on the advice of Nakamura, Tsunoda & Matsumoto, and the Special Committee approved that there are no issues regarding the independence and fairness of said system.

[viii] Securing Objective Conditions to Ensure the Fairness of the Tender Offer

The Company and Tender Offeror have not entered into any agreements etc. that include transaction protection

clauses prohibiting the Company from having contact with persons making counterproposals, or any agreements with terms that would restrict persons making counterproposals from having contact with the Company.

Tender Offeror has set the tender offer period at 30 business days, which is longer than the statutory minimum of 20 business days. By setting the tender offer period longer than the statutory minimum, Tender Offeror seeks to ensure that the Company's shareholders and Share Option Holders have appropriate decision-making opportunities regarding tendering their shares and share options in the Tender Offer and to ensure opportunities for persons other than Tender Offeror to make a counter offer for purchase of the Company Shares and Share Options, thereby ensuring the appropriateness of the Tender Offer Price.

It should be noted that with respect to a so-called active market check that investigates whether there is any potential purchaser in the market, the Non-Tendering Shareholders conducted the First Bid Process in the Transaction, which can be viewed as a form of active market check; the Non-Tendering Shareholders reportedly selected Integral as the final candidate upon determination through the First Bid Process that Integral's proposal best aligns with enhancing the Company's corporate value and, consequently, the common interests of all shareholders; while the Non-Tendering Shareholders hold a combined 56.45% of the Company Shares, they have indicated that they have, in principle, no intention of participating in a competing proposal from a third party, if any, and this situation is not entirely conducive to the Company conducting additional active market checks; conducting an additional active market check is not necessarily easy from the perspective of information management and other considerations; and further, well-developed measures for ensuring the fairness, including the performance by the Company and the Special Committee of procedures to verify the outline of the First Bid Process as well as the appropriateness of the process for selecting potential sponsors and the selection results, have been taken for the Transaction including the Tender Offer and thus full consideration is considered to have been given to the interests of the Company's shareholders and Share Option Holders through fair procedures; therefore, the Company has determined that the fact that the Company has not conducted an additional active market check will not impair the fairness of the procedures in the Tender Offer.

Tender Offeror believes that in the Tender Offer, full consideration has been given to the interests of the Company's shareholders and Share Option Holders through the measures for ensuring the fairness of the Tender Offer described in [i] to [viii] above.

(4) Post-Tender Offer Reorganization Policy

According to Tender Offeror, as described in "[i] Overview of the Tender Offer" in "(2) Basis and Reasons for the Opinion" above, if Tender Offeror is unable to acquire all Company Shares (including the Company Shares to be delivered by the exercise of Share Options, but excluding the Non-Tendered Shares and treasury shares held by the Company) through the Tender Offer, it plans, promptly after the completion of settlement of the Tender Offer, to request that the Company implement by the following method the Squeeze-out Procedures aimed at making Tender Offeror and the Non-Tendering Shareholders the sole shareholders of the Company and delisting the Company Shares. Depending on the number of Company Shares tendered in the Tender Offer, there is a possibility that COH or the Non-Tendering Shareholders will be the sole shareholders of the Company through the First Share Consolidation, and Tender Offeror will purchase the Total Number of Fractional Shares.

Specifically, Tender Offeror will request that the Company convene the Extraordinary General Shareholders Meeting that includes proposals concerning the implementation of the Share Consolidation pursuant to Article 180 of the Companies Act and partial amendment of the articles of incorporation to abolish provisions on the number of shares constituting one share unit, subject to the Share Consolidation taking effect. Tender Offeror and the Non-Tendering Shareholders plan to vote in support of the above proposals at the Extraordinary General Shareholders Meeting. As of today, the Company plans to convene the Extraordinary General Shareholders Meeting around early March 2027. If Tender Offeror makes such a request, the Company intends to comply with it.

According to Tender Offeror, if the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, the Company's shareholders will come to hold Company Shares in a number adjusted in proportion to the ratio of the Share Consolidation that is approved at the Extraordinary General Shareholders Meeting, as of the effective date of the Share Consolidation. If the Share Consolidation results in fractions of less than one share, each shareholder of the Company who holds such fractional shares will receive an amount of cash obtained by selling the Company Shares equivalent to the sum of such fractional shares (if there is any fraction of less than one share in such sum, such fraction will be discarded; hereinafter the same) (the "Total Number of Fractional Shares") to Tender Offeror or by other means pursuant to the procedures specified in Article 235 of the Companies Act and other relevant laws and regulations. Tender Offeror will set the sale price for the Total Number of Fractional Shares at a price such that the amount of cash delivered as a result of the sale to each Company shareholder who did not tender its shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholders and the Company) will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares that had been held by each such shareholder, and Tender Offeror will request that the Company file a petition to the court for approval of such voluntary sale.

Further, although the consolidation ratio for the Company Shares has not been determined as of today, Tender Offeror intends to request that the Company determine the ratio such that the Company Shares held by the Company's shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder and the Company) become fractional shares of less than one share, resulting in Tender Offeror and the Non-Tendering Shareholders owning all Company Shares (excluding treasury shares held by the Company). If the Tender Offer is completed successfully, the Company intends to comply with these requests from Tender Offeror. Depending on the number of Company Shares tendered in the Tender Offer, there is a possibility that COH or the Non-Tendering

Shareholders will be the sole shareholders of the Company through the First Share Consolidation, and Tender Offeror will purchase the Total Number of Fractional Shares.

As described in "[i] Overview of the Tender Offer" in "(2) Basis and Reasons for the Opinion" above, if it cannot reasonably be ruled out that a Majority Shareholder will emerge on the day immediately preceding the effective date of the First Share Consolidation, then COH or Mr. Onishi plans to carry out the Share Lending [i] at the request of Tender Offeror effective as of the time immediately prior to the First Share Consolidation taking effect in order to avoid, to the extent possible, the existence of any shareholder of the Company other than Tender Offeror and the Non-Tendering Shareholders after the First Share Consolidation and to enhance the stability of the Squeeze-Out Procedures. In addition, if a Majority Shareholder exists after the First Share Consolidation takes effect, then, after the Company has been granted an exemption from the obligation to file an annual securities report, Tender Offeror and the Non-Tendering Shareholders plan to perform, as part of the Squeeze-Out Procedures, procedures to ensure that the shareholders of the Company consist solely of Tender Offeror and the Non-Tendering Shareholders, including implementation of the Second Share Consolidation following the Share Lending [ii]. In the case of the Second Share Consolidation, the amount of cash to be delivered to the Majority Shareholder is planned to be calculated so as to be the same as a price obtained by multiplying the Tender Offer Price by the number of Company Shares that had been held by such Majority Shareholder (subject to a formal adjustment based on the consolidation ratio applied in the Company Shares in the First Share Consolidation, and excluding any fractional shares resulting from the First Share Consolidation).

Under the provisions of the Companies Act relating to share consolidations intended to protect the rights of minority shareholders, if the Share Consolidation results in a fraction of less than one share, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the Company's shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder and the Company) may request that the Company purchase all such fractional shares held by the shareholder at a fair price, and such shareholders may file a petition with the court to determine the price of the Company Shares under the Companies Act. As stated above, as a result of the Share Consolidation, the number of the Company Shares held by the Company's shareholders (excluding Tender Offeror, the Non-Tendering Shareholder and the Company) who did not tender their shares in the Tender Offer is expected to be a fractional share of less than one share, and accordingly, the Company's shareholders objecting to the Share Consolidation (excluding Tender Offeror, the Non-Tendering Shareholder and the Company) would be able to file the petition above. In the event that the petition described above is filed, the purchase price of the Company Shares would ultimately be determined by the court.

Even if the proposal relating to the Share Consolidation is not approved at the Extraordinary General Shareholders Meeting, Tender Offeror intends to ultimately acquire all of the Company Shares (including shares to be delivered by the exercise of Share Options, but excluding treasury shares held by the Company and the Non-Tendered Shares) and delist the Company Shares, and consequently, Tender Offeror plans to pursue the delisting of the Company Shares by acquiring additional shares through new tender offers, market purchases, or off-market negotiated transactions (only by means permitted by law) until it reaches a level where the proposal relating to the Share Consolidation can realistically be approved at a general meeting of shareholders of the Company, taking into account factors including the status of tenders in the Tender Offer, the ownership structure and characteristics of the Company's shareholders at that time, trends in the market share price, and the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting. With respect to these additional acquisitions, Tender Offeror intends to purchase the Company Shares at the same price as the Tender Offer Price (2,248 yen), unless the Company undertakes actions, such as a share consolidation or share split, that would necessitate an adjustment to the consideration payable. While the specific timing and methods for such additional acquisitions, as well as the duration required to secure approval for the Share Consolidation at a subsequent general meeting of shareholders, cannot be determined at this time due to variables such as market conditions, Tender Offeror intends to use every effort to ensure that the Share Consolidation is implemented as promptly as practicable.

Regarding the procedures described above, it is possible that, depending on circumstances, such as amendments to, the enforcement of, or interpretation by the authorities of, relevant laws and regulations, the implementation method for or the implementation timing of the above procedures may be altered. However, even in such a case, it is intended that a method will be used whereby ultimately cash will be delivered to the Company's shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholders and the Company), and the amount of cash to be delivered to such shareholders will be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Company Shares that had been held by such shareholders .

According to Tender Offeror, in a case where, even though the Tender Offer is completed successfully, Tender Offeror is unable to acquire all Share Options in the Tender Offer, and any Share Options remain unexercised, Tender Offeror intends to request that the Company implement procedures reasonably necessary to execute the Transaction, including acquiring and canceling the Share Options, and recommending that the Share Option Holders waive their options, or Tender Offeror intends to implement such procedures. If the Company receives such a request, the Company intends to cooperate with it.

The specific procedures and the timing etc. of implementation in the case above will be announced promptly after decisions are made through consultation with Tender Offeror.

The Tender Offer is not in any way intended to solicit the Company's shareholders and Share Option Holders to support the proposals at the Extraordinary General Shareholders Meeting. Further, the shareholders and Share Option Holders are requested to consult with tax accountants or other professionals, at their own responsibility, to confirm the tax treatment of tendering their shares and share options in the Tender Offer and of the procedures described above.

(5) Prospects for Delisting; Reasons

Although the Company Shares are listed on the TSE Prime Market as of today, since Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, it is possible that the Company Shares will be delisted through the prescribed procedures in accordance with the TSE delisting criteria.

Even in a case where such criteria do not apply as of the successful completion of the Tender Offer, if the Share Consolidation described in "(4) Post-Tender Offer Reorganization Policy" above is conducted following the successful completion of the Tender Offer, the Company Shares will be delisted through the prescribed procedures in accordance with the TSE delisting criteria. After delisting, the Company Shares can no longer be traded on the TSE Prime Market.

(6) Important Agreements Relating to the Tender Offer

As described in "[i] Overview of the Tender Offer" in "(2) Basis and Reasons for the Opinion" above, prior to the Tender Offer, Tender Offeror executed the Non-Tendering Agreement dated today with the Non-Tendering Shareholders, and as described in "(ii) Post-Tender Offer Managerial Policy" in "[ii] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" of "(2) Basis and Reasons for the Opinion" above, as of today, the Integral Company Group executed the Management Services Agreement with Mr. Onishi. In addition, as described in "[i] Overview of the Tender Offer" in "(2) Basis and Reasons for the Opinion" above, Tender Offeror Parent Company executed the Total Underwriting Agreement dated today with COH. An overview of the Non-Tendering Agreement, the Management Services Agreement and the Total Underwriting Agreement is as follows.

[i] Non-Tendering Agreement

Tender Offeror executed the Non-Tendering Agreement dated today with the Non-Tendering Shareholders, under which it is agreed that the Non-Tendered Shares (10,030,400 shares held; ownership ratio: 56.07%) will not be tendered in the Tender Offer. Further, the following has been agreed upon under the Non-Tendering Agreement.

(A) The Non-Tendering Shareholders (i) shall not carry out any transactions that substantially contradict or conflict with the Transaction or may make it difficult to execute the Transaction (excluding assignment pursuant to the exercise of the Transfer Options) with any person other than Tender Offeror, or any proposals, consultations, negotiations and agreements therefor, and (ii) if the Non-Tendering Shareholders receive any proposal for such transaction from a third party or become aware of the existence of such proposal from the effective date of the Non-Tendering Agreement through the Share Repurchase Date (defined in (D) below), they shall immediately notify Tender Offeror to that effect and the details thereof, and engage in discussions in good faith.

(B) After the successful completion of the Tender Offer, the Non-Tendering Shareholders shall implement the procedures necessary for the Squeeze-out Procedures (including the convening of the Extraordinary General Shareholders Meeting that includes the proposal for the Share Consolidation, and other proposals reasonably requested by Tender Offeror (including proposals for a record date for the exercise of the voting rights at an ordinary general shareholders meeting, the date of the ordinary general shareholders meeting, and amendment of the articles of incorporation to abolish provisions on share units), and the exercise of the voting rights in favor thereof at the Extraordinary General Shareholders Meeting), and provide cooperation.

(C) If there is a Majority Shareholder following the date of commencement of settlement of the Tender Offer, or a Majority Shareholder is expected to arise immediately prior to the Share Consolidation taking effect, the Non-Tendering Shareholders and Tender Offeror shall, upon request from Tender Offeror, take measures to ultimately make Tender Offeror and the Non-Tendering Shareholders the sole shareholders of the Company ((i) gratis share lending between the Non-Tendering Shareholders, (ii) a share consolidation to make COH or the Non-Tendering Shareholders the sole shareholders of the Company through a share consolidation, and then allow Tender Offeror to purchase the Total Number of Fractional Shares, or (iii) the first share consolidation in which Tender Offeror, the Non-Tendering Shareholders and the Majority Shareholder become the sole shareholders of the Company, and share lending is carried out between Tender Offeror and the Non-Tendering Shareholders after the Company is granted an exemption from filing a securities report, and then the second share consolidation in which Tender Offeror and the Non-Tendering Shareholders will become the sole shareholders of the Company, etc.), and the Non-Tendering Shareholders shall provide cooperation therefor.

(D) On the condition that a required distributable amount is secured after the effective date of the Share Consolidation, COH shall sell some of the Company Shares it owns (the number of shares reasonably calculated so that the ratios of voting rights in the shares of Tender Offeror Parent Company immediately after the Triangular Share Exchange takes effect will be 51% for Integral Company Group and 49% for the Non-Tendering Shareholders) to the Company through the Share Repurchase (hereinafter, the date of execution of the Share Repurchase is referred to as the "Share Repurchase Date"), and Tender Offeror shall provide the Company with funds, through the Capital Contribution, to be applied to payment of the consideration therefor. The Non-Tendering Shareholders and Tender Offeror shall cause the Company to obtain a general shareholders meeting resolution for proposals for the Share Repurchase and the Capital Contribution as well as to implement all procedures necessary for the Share Repurchase and the Capital Contribution, and as a shareholder of the Company, each shall exercise all of its voting rights in favor of the proposals.

(E) On the condition that the Company is granted an exemption from the duty to file a securities report, upon written request from Tender Offeror, Mr. Onishi shall lend gratis the Company Shares and the shares of COH it owns

until the day preceding the effective date of the Triangular Share Exchange to Tender Offeror (during the period of such lending, Tender Offeror shall exercise the rights of a shareholders of such shares to the extent necessary to duly and effectively implement the Transaction and to ultimately achieve the voting rights ratios of Tender Offeror and the Non-Tendering Shareholders in Tender Offeror Parent Company following the completion of the Transaction, and shall not exercise such rights beyond such extent).

(F) Immediately after the receipt of payment of consideration for the Share Repurchase, COH shall underwrite the corporate bonds issued by Tender Offeror Parent Company and pay the pay-in amount for the corporate bonds pursuant to the Total Underwriting Agreement.

(G) The Non-Tendering Shareholders and Tender Offeror shall conduct the Triangular Share Exchange as soon as practicable following the completion of (F) above. The Non-Tendering Shareholders and Tender Offeror shall also cause the Company to obtain a general shareholders meeting resolution for proposals for the Triangular Share Exchange as well as to implement procedures necessary for the Triangular Share Exchange, and as a shareholder of the Company, each shall exercise all of its voting rights in favor of the proposals.

(H) From the effective date of the Non-Tendering Agreement through the Share Repurchase Date, the Non-Tendering Shareholders shall not exercise the right to demand the convocation of a general shareholders meeting of the Company (Article 297 of the Companies Act), the shareholders' right to propose (Article 303 through Article 305 of the Companies Act), and or any other shareholders' rights without the prior written approval of Tender Offeror, and from the date of commencement of settlement of the Tender Offer, shall exercise the voting rights in the Non-Tendered Shares and all other rights according to Tender Offeror's instructions.

Additionally, the Non-Tendering Agreement provides that the representations and warranties of the Non-Tendering Shareholders and Tender Offeror (Note 13), and the obligation to indemnify the other party for damage etc. arising from a breach of any representation and warranty or failure to perform any duty (provided, however, that with regard to damage etc. arising from a breach of any representation and warranty regarding the Company by the Non-Tendering Shareholders, if such damage etc. is actually covered by insurance proceeds paid pursuant to representations and warranties insurance procured by Tender Offeror, the Non-Tendering Shareholders are not obligated to indemnify the other party for such damage etc. to the extent covered). The Non-Tendering Agreement also sets forth, as a termination event, (i) a case where the other party materially breaches any of its duty under the Non-Tendering Agreement, (ii) a case where the other party materially breaches any of its representations and warranties, (iii) a case where Tender Offeror withdraws the Tender Offer in accordance with laws and regulations, and (iv) a case where the Tender Offer is not commenced by June 30, 2027 for any reason not attributable to itself (Note 14).

(Note 13) In the Non-Tendering Agreement, the Non-Tendering Shareholders have made representations and warranties to Tender Offeror, regarding Non-Tendering Shareholders, as to (i) their incorporation and existence, (ii) enforceability, (iii) no conflict with laws and regulations, (iv) no relationship with anti-social forces etc., (v) no insolvency proceedings etc., (vi) ownership of Company Shares, and (vii) related party transaction, and, regarding the Company, as to [i] its incorporation and existence, (ii) enforceability, (iii) its shares etc., (iv) the shares etc. of the Company Group, (v) no insolvency proceedings, (vi) no transactions with anti-social forces etc., (vii) the accuracy of disclosed documents, (viii) no material facts undisclosed, (ix) the sufficiency of assets etc., (x) material assets, (xi) important agreements, (xii) related party transactions, (xiii) systems, (xiv) intellectual property rights, (xv) employees, (xvi) compliance with laws and regulations, permits and approval, and litigation etc., (xvii) taxes etc., (xviii) environment, (xix) insurance, and (xx) information disclosure. Tender Offeror has made representations and warranties to the Non-Tendering Shareholders as to (i) its incorporation and existence, (ii) enforceability, (iii) the acquisition of permits and approvals, (iv) no conflict with laws and regulations, (v) the sufficiency of funds, (vi) no insolvency proceedings etc., and (vii) no relationship with anti-social forces etc. It should be noted that the Non-Tendering Agreement sets forth that indemnification for any damage suffered by Tender Offeror due to a breach of representations and warranties can be only demanded from the insurer of the representations and warranties insurance unless such damage has been caused by a fraud, willful misconduct or intentional concealment by the Non-Tendering Shareholders.

(Note 14) In addition to the duties substantially described in the main text, the Non-Tendering Shareholders owe under the Non-Tendering Agreement (i) the duty to use best efforts to cause the Company Group to perform work duties within the scope of normal work duties, (ii) the duty to use efforts to secure the Company Group's provision of information and Tender Offeror's access to information etc., (iii) the duty to use best efforts to cause the Company Group to cooperate with Tender Offeror in securing funds necessary for the Transaction, (iv) the duty to cooperate with Tender Offeror in obtaining permits and approvals necessary for the Transaction, and the duty to use best efforts to cause the Company Group to cooperate. Additionally, the Non-Tendering Shareholders and Tender Offeror owe (v) the duty to implement procedures necessary to execute the Transaction, (vi) the duty of notify if it becomes aware of a specific risk that any of its representations and warranties may be false or inaccurate, or of a breach of any of its duty under the Non-Tendering Agreement, and (vii) the duty to hold regular meetings for smooth execution of the Transaction.

[ii] Management Services Agreement

Integral HD, Integral 5 Limited Partnership, Innovation Alpha V L.P., Initiative Delta V L.P. and Infinity Gamma V L.P. (collectively, "Integral etc." in this "[ii] Management Services Agreement") executed the Management Services Agreement dated today with Mr. Onishi. Further, the following has been agreed upon under the Management Services Agreement. The provisions of the Management Services Agreement regarding (A) through (E) below will take effect on the effective date of the Share Consolidation subject to the successful completion of the Tender Offer, and the Share Consolidation taking effect.

(A) Integral etc. shall entrust to Mr. Onishi (i) the execution of work duties as the position (the "Position") at the

Company Group designated by Integral etc., (ii) best efforts to maximize the Company Group's corporate value and shareholder value, (iii) best efforts to deliver on the Company Group's business plan, and (iv) the provision of knowledge, experience, know-how, etc. (collectively, "Tasks"), and Mr. Onishi shall accept the same.

(B) In performing the Tasks, Mr. Onishi shall comply with the following.

(i) Mr. Onishi shall perform the Tasks and the Position in good faith in accordance with the duty of care of a prudent manager and the fiduciary duty, shall not pursue profits for himself or any third party, shall properly manage conflicting interest transactions, related party transactions and transactions involving management at the Company Group, shall not engage in any act that may have a direct or indirect conflict of interest with the Company Group, and shall have all business opportunities for the Company Group that he may have learned in the course of work belong to the Company Group.

(ii) Mr. Onishi shall maintain the ethical standards suitable for the Position, and comply with laws and regulations, the internal rules of the Company Group, and the Management Services Agreement.

(iii) Mr. Onishi shall be accountable to Integral etc. and the Company's Board of Directors, and ensure management transparency in the Company Group.

(iv) Mr. Onishi shall cause the Company Group to take measures necessary and appropriate to establish and operate an internal control system and a compliance system, and comply, and cause the officers etc. of the Company Group to comply, with the code of conduct suitable for management.

(C) Unless there is a cause and the prior written consent of Integral etc., Mr. Onishi shall not resign from the Position or refuse his reappointment. If Mr. Onishi materially breaches or violates the Management Services Agreement or laws and regulations, or a certain event arises otherwise with regard to Mr. Onishi, Integral etc. may dismiss Mr. Onishi from the Position.

(D) The effective term of the Management Services Agreement shall commence on the day the Share Consolidation commences and shall end at the closure of the Company's ordinary general shareholders meeting for the fiscal year ending within one year from the effective date of the Share Consolidation, and if Mr. Onishi remains in the Position immediately after the closure of the ordinary general shareholders meeting, the Management Services Agreement shall be renewed with the same terms (the same applies thereafter).

(E) Integral etc. and Mr. Onishi shall separately discuss and agree upon the renumeration for performance of work duties and other treatments of Mr. Onishi in the Position.

In addition to the foregoing, Mr. Onishi owes (i) the duty to maintain dignity, (ii) the duty to comply with laws and regulations, internal rules etc., and the Management Services Agreement etc., (iii) the duty to devote his full time and attention to the Tasks, (iv) the duty to acquire the prior consent of Integral etc. for certain important matters in the Company Group, (v) the duty to attend meetings concerning the management of the Company Group and the duty to allow persons designated by Integral etc. to attend as observers, (vi) the duty to report the financial situation and other important matters etc., (vii) the non-compete duty and non-solicitation duty, and (viii) the duty to otherwise cooperate with Integral etc.

The Management Services Agreement sets forth the duty to indemnify the other party for damage etc. arising from a breach of the representations and warranties ((i) no grounds for disqualification of a director, (ii) related party transactions, and (iii) no relationship with anti-social forces etc.) and of any duty under the Management Services Agreement by Mr. Onishi. The Management Services Agreement also sets forth, as a termination event, (i) a case where the parties agree upon the termination in writing, (ii) a case where the term expires and the Management Services Agreement is not renewed, (iii) a case where Mr. Onishi loses all of the statuses under the Position, (iv) a case where all of Integral etc. cease to hold the shares of the Company, (v) a case where the Company resolves to dissolve, or (vi) a case where the Tender Offer is not commenced, is withdrawn or fails to be completed.

[iii] Total Underwriting Agreement

Tender Offeror Parent Company executed the Total Underwriting Agreement dated today with COH, under which the following has been agreed upon.

In the Total Underwriting Agreement dated, COH has agreed to underwrite the Bonds thereunder, and Tender Offeror Parent Company has agreed to issue the Bonds and use the proceeds acquired upon the issuance of the Bonds solely for the purpose of payments of funds relating to the return of capital to the shareholders of Tender Offeror Parent Company through the distribution of surplus, the acquisition of its own shares or other similar methods, and any incidental or related expenses (including public taxes and levies).

(7) Other Important Matters Concerning the Tender Offer

Not applicable.

4. Details of Benefits Provided by Tender Offeror or its Specially Related Parties

Not applicable.

5. Response Policies Regarding Basic Policies for the Control of the Company

Not applicable.

6. Questions to Tender Offeror

Not applicable.

7. Request for Extension of the Tender Offer Period

Not applicable.

8. Future Outlook

Pease refer to "[ii] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" in "(2) Basis and Reasons for the Opinion", "(4) Post-Tender Offer Reorganization Policy" and "(5) Prospects for Delisting; Reasons" of "3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer" above.

9. Matters Relating to MBO, etc.

(1) Status as an MBO, etc.

It is planned that Mr. Onishi will continue to manage the Company after the Transaction and continue to own Company Shares as a Non-Tendering Shareholder after the Transaction; therefore, the Transaction constitutes a so-called MBO, and the "Matters to be Observed Pertaining to MBO, etc." set forth in Rule 441 of the TSE Securities Listing Regulations apply to the Transaction including the Tender Offer. With regard to Mr. Onishi's continued involvement in the Company's management following the Transaction, the Company intends to re-evaluate his suitability as a director upon deliberation at the Nomination and Remuneration Committee planned to be held in December 2026 based on the requirements for officer candidates established as part of the measures to prevent recurrence as well as the results of a third-party assessment conducted by an external professional firm. In addition, in the Transaction, Mr. Onishi, the controlling shareholder of the Company, and COH, which is his asset management company, are planned not to tender their shares in the Tender Offer and instead to sell a portion of their shares by agreeing to the Share Repurchase to be carried out by the Company after the Share Consolidation takes effect. In its Corporate Governance Report dated June 12, 2026, the Company has, as its "Guidelines on Measures to Protect Minority Shareholders When Engaging in Transactions with Controlling Shareholders," established its policy stating that "as a general rule, the Company will not engage in transactions with controlling shareholders; however, where a transaction unavoidably arises, the Company will make a decision after its Board of Directors has fully deliberated on the appropriateness of the terms of the transaction and the method of determination thereof, so as not to harm the interests of minority shareholders." In order to ensure the fairness of the Transaction, including the Share Repurchase, and to avoid conflicts of interest, the Company has taken the measures described in "(3) Measures for Ensuring the Fairness of the Tender Offer" under "3. Details, Basis and Reasons for the Opinion on the Tender Offer" above, and has determined that such measures are consistent with the guidelines described above.

(2) Matters Concerning Measures for Ensuring Fairness and Measures for Avoiding Conflicts of Interest

As described in "(3) Measures for Ensuring the Fairness of the Tender Offer" in "3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer" above, in connection with the Transaction including the Tender Offer, the Company has taken measures for ensuring fairness and measures for avoiding conflicts of interest.

(3) Opinion of the Special Committee Regarding Fairness to General Shareholders

As described in "[iii] Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" in "(3) Measures for Ensuring the Fairness of the Tender Offer" of "3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer" above, the Company received the Report from the Special Committee stating that the Transaction including the Tender Offer is fair to the general shareholders of the Company. For details of the Report, please refer to Attachment 1.

10. Other

(1) Announcement of the "Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese GAAP)"

The Company publicly announced the Company Financial Results dated November 11, 2026. The overview of the Company Financial Results for the term pursuant to the contents of the announcement is as follows. For details, please refer to the contents of the announcement.

Summary of the Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese

GAAP)

(i) Results of Operations (Consolidated)

Accounting period	The nine months ended September 30, 2026 (from January 1, 2026 through September 30, 2026)
Net sales	42,814 million yen
Operating profit	2,013 million yen
Ordinary profit	1,889 million yen
Quarter profit attributable to shareholders of the parent company	932 million yen

(ii) Per-Share Status (Consolidated)

Accounting period	The nine months ended September 30, 2026 (from January 1, 2026 through September 30, 2026)
Quarterly profit per share	52.42 yen
Dividend per share	7.00 yen

(2) Announcement of the "Notice Regarding Revision of Dividend Forecast (No Dividends) for the Fiscal Year Ending December 31, 2026 and Discontinuation of Shareholder Benefits Program"

At the meeting of the Company's Board of Directors held today, the Company resolved to revise the dividend forecast for the fiscal year ending December 31, 2026 and not to distribute end-of-term dividends for the fiscal year ending December 31, 2026, and to discontinue the shareholder benefits program, subject to the successful completion of the Tender Offer. For details, please refer to the contents of the announcement.

End

(Reference) Attachment 1: Report

November 20, 2026

To: Board of Directors of I-ne Co., Ltd.

Report

Special Committee of I-ne Co., Ltd.

Chairperson Naoki Watanabe

Member Koichi Mizutome

Member Hiroshi Sasamata

Member Noriko Yamanaka

Member Kohei Omori

I. Consultation Matters, etc.

JAMBO Co., Ltd. ("**Tender Offeror**"), a wholly owned subsidiary of JAMBO Holdings K.K. ("**Tender Offeror Parent Company**"), all of whose issued shares are owned by Integral Holdings K.K. ("**Integral HD**"), plans to implement, on November 20, 2026, the following series of transactions (the "**Transaction**") designed to carry out a so-called management buyout (MBO), including a tender offer (the "Tender Offer") for the Company's common shares (the "**Company Shares**") of I-ne Co., Ltd. (the "**Company**") and the Share Options.[1] As of the date of this Report, none of Tender Offeror,

[1] Share options issued pursuant to a resolution of the extraordinary general meeting of shareholders held on May 7,

Tender Offeror Parent Company, Integral HD, Integral Group Corporation ("**Integral Group**"), which owns all of Integral HD's issued shares, Integral Corporation, all of whose issued shares are owned by Integral Group (Integral HD, Integral Group and Integral Corporation are hereinafter referred to, individually or collectively, as "**Integral**"), and Integral Group's subsidiaries and affiliates and other legal entities involved in investments in Tender Offeror (together with Integral, "**Integral Company Group**"), owns any of the Company Shares:

[i] Tender offer for the Company Shares and Share Options to be conducted by Tender Offeror

[ii] A series of procedures ("**Squeeze-out Procedures**") including the consolidation of the Company Shares ("**Share Consolidation**") to ensure that the shareholders of the Company consist solely of Tender Offeror and the Non-Tendering Shareholders (as defined below) when Tender Offeror is unable to acquire all of the Company Shares (including the Company Shares to be delivered by the exercise of Share Options, but excluding the Company Shares held by the Non-Tendering Shareholders and treasury shares held by the Company) in the Tender Offer

[iii] Capital contribution to be made by Tender Offeror to the Company as necessary to secure the funds required to carry out the acquisition (the "**Share Repurchase**") of a portion of the Company Shares held by COH

[iv] Share Repurchase to be carried out by the Company following a stock split to adjust the number of shares, subject to the Share Consolidation taking effect

On August 17, 2026, the Company was informed by Mr. Onishi, the Representative Director and President of the Company ("Mr. Onishi"), and COH Co., Ltd. ("COH"), which is Mr. Onishi's asset management company and the Company's major shareholder and largest shareholder (Mr. Onishi and COH are collectively referred to as the "**Non-Tendering Shareholders"**), that the Non-Tendering Shareholders had appointed Houlihan Lokey, Inc. ("**Houlihan Lokey**") as their financial advisor and they were considering delisting the Company Shares through a so-called management buyout (MBO), premised on the retention of a portion of the Company Shares held by the Non-Tendering Shareholders and the continued involvement of Mr. Onishi in the Company's management, and that they were conducting a selection process in which multiple sponsor candidates were invited (the "**First Bid Process**"), and the Company was requested to establish a special committee.

Thereafter, on August 26, 2026, the Company was given an explanation from Mr. Onishi that the transaction for delisting the Company Shares is a so-called management buyout (MBO), in which the

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2019 ("**Series 3 Share Options**") (exercise period: from May 9, 2021 to May 7, 2029), share options issued pursuant to a resolution of the meeting of the Board of Directors held on March 1, 2023 ("**Series 5 Share Options**") (exercise period: from March 16, 2024 to March 15, 2028), share options issued pursuant to a resolution of the meeting of the Board of Directors held on April 18, 2024 ("**Series 6 Share Options**") (exercise period: from May 9, 2025 to May 8, 2029), share options issued pursuant to a resolution of the meeting of the Board of Directors held on April 23, 2025 ("**Series 7 Share Options**") (exercise period: from May 14, 2026 to May 13, 2030) and share options issued pursuant to a resolution of the meeting of the Board of Directors held on July 3, 2025 ("**Series 8 Share Options**") (exercise period: from April 1, 2029 to July 30, 2035) are collectively referred to as "**Share Options**".

sponsor candidate that participates in the First Bid Process and is ultimately selected will be a party that conducts a tender offer at the request of Mr. Onishi and shares common interests with Mr. Onishi. In response, in order to ensure prudence in the Company's decision-making regarding the transaction for delisting the Company Shares, to eliminate arbitrariness and the risk of conflicts of interest in the decision-making process of the Company's Board of Directors and to ensure fairness thereof, the Company established a special committee concerning the transaction for delisting the Company Shares (the "**Special Committee**") at the meeting of its Board of Directors held on August 26, 2026.

The Company's Board of Directors thereupon consulted the Special Committee on the following matters (the "**Consultation Matters**") pursuant to the board resolution referred to above:

[i] To first consider whether the transaction for delisting the Company Shares would contribute to enhancing the Company's corporate value, and then consider whether the Company's Board of Directors should support the Tender Offer and whether it should recommend that the Company's shareholders tender their shares in the tender offer for delisting the Company Shares, and report its findings to the Company's Board of Directors.

[ii] To consider whether the transaction for delisting the Company Shares is fair to the Company's general shareholders, and express its opinion to the Company's Board of Directors.

In the report and opinion above, (i) whether the transaction for delisting the Company Shares would contribute to enhancing the Company's corporate value (including the validity and reasonableness of the purpose), (ii) the fairness of the procedures for the transaction for delisting the Company Shares, and (iii) the fairness of the price for purchase, etc. per common share in the tender offer and other terms and conditions of the transaction for delisting the Company Shares shall be taken into consideration. If the Special Committee determines it necessary or appropriate depending on the state of negotiations for the transaction for delisting the Company Shares or other circumstances, the Special Committee may add to or change the consultation matters above.

Given that the Share Options are subject to the Tender Offer, the Special Committee provides its report by reading the terms the "Company's shareholders" and the "Company's general shareholders" in [i] and [ii] of the Consultation Matters as the "Company's shareholders and Share Option Holders" and the "Company's general shareholders and Share Option Holders," respectively.

The Company's Board of Directors also adopted resolutions on the following matters at the meeting of the Board of Directors referred to above:

- To make decisions pertaining to the transaction for delisting the Company Shares with the utmost respect for the determinations of the Special Committee.
- If the Special Committee determines that any of the terms and conditions of the transaction for delisting the Company Shares is not appropriate, not to approve the transaction for delisting the

Company Shares on such terms and conditions (including not supporting the Tender Offer).

- To grant following authority to the Special Committee:
  (a) The authority to negotiate the transactional terms and conditions, etc. with the counterparty of the transaction for delisting the Company Shares (including indirect negotiations through the Company's officers, employees, and advisors)
  (b) The authority to appoint its own financial or legal advisors ("**Advisors etc.**"), as necessary, in considering the Consultation Matters (the Company shall bear the expenses therefor), or to nominate or approve (including after-the-fact approval) the Company's Advisors etc. (if the Special Committee confirms that there are no issues with respect to the independence and expertise of the Company's Advisors etc., the Special Committee may seek professional advice from the Company's Advisors etc.)
  (c) The authority to require any person whom the Special Committee deems necessary to attend its meetings and explain necessary information
  (d) The authority to receive from the officers and employees of the Company and four consolidated subsidiaries (collectively, the "**Company Group**") any information reasonably necessary for its consideration of, and determinations pertaining to, the transaction for delisting the Company Shares
  (e) The authority concerning any other matters the Special Committee deems necessary for its consideration of, and determinations pertaining to, the transaction for delisting the Company Shares

II. Process Leading to the Report

The Special Committee has been established by resolution of the Company's Board of Directors adopted on August 26, 2026 and consists of five members listed below:

Chairperson	Naoki Watanabe	(the Company's independent outside director (Audit and Supervisory Committee Member))
Member	Koichi Mizutome	(the Company's independent outside director)
Member	Hiroshi Sasamata	(the Company's independent outside director)
Member	Noriko Yamanaka	(the Company's independent outside director (Audit and Supervisory Committee Member))
Member	Kohei Omori	(the Company's independent outside director (Audit and Supervisory Committee Member))

The Special Committee held a total of 12 meetings (total meeting time of approximately 12 hours) between August 26, 2026 and November 19, 2026, and deliberated on the Consultation Matters. It also

reported and shared information by e-mail and other means between meetings, and carefully discussed and examined the Consultation Matters as described below:

[i] At the first meeting held on August 26, 2026, the Special Committee appointed LBX Legal Advisors as its legal advisor after confirming that there are no issues with respect to the independence or expertise of the firm.

[ii] At the second meeting held on September 8, 2026, the Special Committee approved Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, and Daiwa Securities Co. Ltd. ("**Daiwa Securities**"), the Company's financial advisor and third-party calculation agency, as the Company's legal advisor and the Company's financial advisor and third-party calculation agency, respectively, after confirming that there are no issues with respect to the independence or expertise of both companies, and also confirmed that the Special Committee itself may also receive professional advice from them as necessary.

[iii] At the third meeting held on September 16, 2026, the Special Committee appointed Plutus Consulting Co., Ltd. ("**Plutus**") as its financial advisor and third-party calculation agency after confirming that there are no issues with respect to the independence or expertise of the firm.

[iv] The Special Committee received explanations from LBX Legal Advisors regarding the role etc. of a special committee, and, in light of legal advice on the decision-making process and method for the transaction for delisting the Company Shares and other points to be noted in making decisions pertaining to the transaction for delisting the Company Shares, the Special Committee considered measures to be taken to ensure the fairness of the procedures for the transaction for delisting the Company Shares.

[v] In connection with the implementation by the Non-Tendering Shareholders of the First Bid Process, the Special Committee, prior to the determination of the candidates to advance to the second bid process, submitted written questions on September 16, 2026 with regard to the outline of the First Bid Process and the appropriateness of the process and results of selection of the sponsor candidates, and received responses to those questions from the Non-Tendering Shareholders on September 24, 2026.

[vi] On September 28, 2026, the Company received from the Non-Tendering Shareholders a document regarding the plan of granting Integral the right of first negotiation and the acceptance of due diligence by Integral. In said document, the Non-Tendering Shareholders explained that they conducted the First Bid Process with Houlihan Lokey as the financial advisor and, as a result of comprehensive comparison and examination of the letters of intent and other proposal materials submitted by the respective candidates in terms of their proposed initiatives to enhance corporate value, the proposed price, certainty of financing, feasibility of the transaction and other factors, they selected Integral as the final candidate. They also explained that after granting Integral the right of first negotiation, they would proceed with one-on-one negotiations with Integral as the second bid process.

[vii] The Special Committee was given an explanation from the Company and held a question-and-answer session with respect to the details, material assumptions and process of preparation of the business plan for the five fiscal periods from the fiscal year ending December 31, 2026 to the fiscal year ending December 31, 2030 prepared by the Company (the "**Business Plan**"). On that basis, the Special Committee, also taking into account the advice from Plutus from a financial perspective, confirmed at its fifth meeting held on October 6, 2026 that the details of the Business Plan and the framework and procedures for its preparation were reasonable for use as the basis for the valuation of the Company Shares.

[viii] The Special Committee questioned Integral with regard to the background and reasons that led it to propose the Transaction, the management challenges of the Company, the advantages and disadvantages of the Transaction, the management structure and managerial policy following the Transaction, the terms and conditions of the Transaction, and other matters.

[ix] The Special Committee questioned Mr. Onishi with regard to the background and purpose of the Transaction, the managerial policy following the implementation of the Transaction, the terms and conditions of the Transaction, and other matters.

[x] Taking into account the responses to the questions to Integral and Mr. Onishi, the Special Committee confirmed the Company's own understanding with the Company.

[xi] The Special Committee was given explanations from Plutus and Daiwa Securities with regard to the valuation methods used in their valuations of the Company Shares, the reasons for adopting those methods, the details of the valuations under each method, the material assumptions and other matters, respectively, and following question-and-answer sessions and deliberation and examination, confirmed the reasonableness of these matters. The Special Committee received from Plutus a share valuation report dated November 19, 2026 concerning the value of the Company Shares (the "**Share Valuation Report (Plutus)**"), and received from Daiwa Securities through the Company a share valuation report dated November 19, 2026 concerning the value of the Company Shares (the "**Share Valuation Report (Daiwa Securities)**"), and reviewed the details of each report.

[xii] After receiving the proposal from Integral to set the price for purchase, etc. per common share in the Tender Offer ("**Tender Offer Price**") at 1,700 yen on October 23, 2026, the Special Committee was given explanations from Plutus and Daiwa Securities and held question-and-answer sessions with regard to the status of their valuations of the Company Shares and the premium levels in recent tender offer precedents, and taking into account the advice of Plutus and Daiwa Securities from a financial perspective and the advice of LBX Legal Advisors and Nakamura, Tsunoda & Matsumoto from a legal perspective, the Special Committee considered the matter and requested Integral on multiple occasions to raise the Tender Offer Price, to establish conditions to eliminate coercion, and to implement other measures to enhance the fairness of procedures (the negotiation process with Integral is described in detail in V. 2.(1)(E)).

As a result, the Special Committee and Integral agreed on November 19, 2026 to set the Tender Offer Price at 2,248 yen.

[xiii] The Special Committee was given an explanation from Daiwa Securities and Nakamura, Tsunoda & Matsumoto with regard to the contents of the draft of the press release concerning the Company's expression of opinion on the Tender Offer that the Company plans to publish (the "**Press Release"**), and confirmed that substantial information in line with the facts is planned to be disclosed.

[xiv] Based on the procedures described above and other matters, the Special Committee deliberated on the draft of this Report on multiple occasions while receiving advice from LBX Legal Advisors and Plutus.

III. Reservations

This Report has been prepared on the basis of the explanations given to the Special Committee by the Company's officers and employees involved in the consideration, negotiation and determination relating to the Transaction, and by Nakamura, Tsunoda & Matsumoto and Daiwa Securities, the question-and-answer sessions with the Special Committee, and the materials distributed at the relevant meetings, and on the assumption that these materials and other information furnished are true and correct in all material respects.

IV. Report and Opinion

[i] As described in V. 1. through 3. below, the Transaction contributes to enhancing the Company's corporate value, and the terms and conditions of the Transaction and the procedures for the Transaction are considered to be fair, and accordingly, the Special Committee believes that the Company's Board of Directors should express its opinion in support of the Tender Offer. The Special Committee also considers it appropriate that the Company's Board of Directors take a neutral position as to whether the Company's shareholders and Share Option Holders should tender their shares or share options in the Tender Offer, and leave to the judgment of the Company's shareholders and the Share Option Holders.

[ii] As described in V. 1. through 3. below, the Transaction contributes to enhancing the Company's corporate value, and the terms and conditions of the Transaction and the procedures for the Transaction are considered to be fair, and accordingly, the Special Committee believes that the Transaction is fair to the Company's general shareholders and Share Option Holders.

V. Reasons for Report and Opinion

1. Whether the Transaction Would Contribute to Enhancing the Company's Corporate Value

(1) The Company's Business Environment

According to the Company, it recognizes the business environment surrounding the Company Group as follows:

- While the haircare and hair and makeup market in Japan came to 709.6 billion yen in 2025, indicating moderate growth with an average annual growth rate of approximately 2% since 2022, competition in the market is increasingly intensifying.
- The Company's core customers are shifting from television to the internet as their primary media touchpoint, and digital technology-driven marketing is becoming more important.
- As the outlook for the global economy remains uncertain due to geopolitical risks, changes in the international situation, fluctuations in exchange rates and prices, and other factors, the Company Group needs to accurately understand environmental changes and strive to achieve both profitability and growth.

The Special Committee shares the same recognition with respect to the business environment surrounding the Company Group.

(2) Issues Relating to Internal Controls and Governance

According to the Company, the following developments have occurred with respect to the Company's internal controls and governance.

- Following the emergence of suspicions (the "**Suspected Matter**") that the counterparty to the trademark acquisition transaction conducted in the fiscal year ended December 31, 2022 may have constituted a related party of the Company, the Company established a special investigation committee composed of external experts on February 12, 2026, and received an investigation report (the "**Investigation Report**") from the committee on April 24, 2026, based on which the Company recognized the fact that the counterparty did constitute a related party of the Company.
- In light of these facts, in the internal control report submitted on May 15, 2026, the Company reported that the internal control over financial reporting as of the end of the fiscal year ended December 31, 2025, had a material weakness requiring disclosure and thus was not valid. The Company has since designated the improvement of internal control and governance as its top priority, and in order to remediate the material weakness requiring disclosure, the Company has formulated and executed measures to prevent recurrence, focused on reforming management's mindset and developing its corporate culture, ensuring the effectiveness of the Board of Directors' supervisory function, strengthening management systems for related-party transactions, and

reinforcing information management systems.

- Such measures to prevent recurrence are progressing generally as planned, and through the change of the Chairperson of the Board of Directors to an independent outside director, the establishment of new management regulations concerning related-party transactions, the strengthening of monitoring functions for transactions involving a risk of conflicts of interest, the review of the regulations on authority and responsibility (approval criteria table), the implementation of governance training for all employees, and other measures, the design of the various systems was completed as of the end of October 2026.
- Going forward, the Company plans to verify the operational effectiveness of the new systems during the fourth quarter of the fiscal year ending December 31, 2026. In addition, on June 18, 2026, the Company received notice from the Tokyo Stock Exchange that it had entered the grace period for reexamination due to a violation of the written oath (the "**TSE Reexamination**").
- In such notice, it was specified that a grace period for reexamination would run from June 18, 2026 to June 18, 2027 for the Company Shares, and that in the event that the Company submits an application for review within such grace period to determine whether it meets the criteria equivalent to the Prime Market's initial listing standards, the Company Shares will remain listed if it meets those criteria, but will be delisted if it does not, and furthermore, in the event that the Company submits an application for a segment transfer to the Standard Market or the Growth Market within the grace period, the Company Shares will continue to be listed in the new market segment if approval for such a transfer is granted. The Company was required by the Tokyo Stock Exchange to pay, and has paid, 33.6 million yen as a listing agreement violation penalty. In addition, since the disclosure of the "Notice Regarding Entry into a Grace Period Pertaining to Reexamination due to Violation against a Written Oath and the Imposition of Listing Agreement Violation Penalty" dated June 19, 2026, the Company has been implementing measures to prevent recurrence and has been proceeding with improvement efforts and preparations for the application for reexamination in order to maintain the listing of the Company Shares.

(3) Management Challenges of the Company

(A) Recognition of Integral

According to Integral, it recognizes the following matters as management challenges of the Company:

- As the Company's net sales are concentrated in its three main brands, "BOTANIST", "YOLU" and "SALONIA", it is necessary to continuously create and expand the

next pillar brands and new products by making fuller use of the Company's strength, the "IPTOS" model, and by strengthening its M&A strategy in order for the Company to achieve further growth. In addition, scaling up overseas operations, which currently account for a relatively small share of total sales, is also a key priority, and to achieve this, it is necessary to strengthen the Company's infrastructure, including investing in local advertising and promotion, developing sales channels, and securing the talent required to drive the Company's international business.

- In order for the Company to solidify the trust of its stakeholders and to advance its growth strategy, it is a prerequisite that the measures to prevent recurrence relating to the improvement of internal controls and governance described above not be limited to one-off responses but be thoroughly embedded in the organization and established in a state in which such measures function continuously.
- However, each of these initiatives will entail a considerable amount of upfront investment and commitment of management resources, and a certain degree of downward pressure on the Company's business performance is therefore expected in the short term. In particular, in a situation where the Company must give top priority to allocating management resources to rebuilding its governance framework while at the same time continuing to make growth investments in a business environment of intensifying competitive pressure, if the Company, as a listed company, is compelled to respond to short-term performance expectations from the capital markets and share price fluctuations, there is a risk that the implementation of agile investments and initiatives from a medium-to-long-term perspective could be constrained, and the existing general shareholders of the Company may be exposed to the risk of short-term deterioration in performance and a decline in the share price.

(B) Recognition of the Company

According to the Company, it recognizes the following matters as its management challenges:

- With regard to business aspects, the Company needs to address the decline in trial rates for its existing core brands, achieve profitability for new categories and D2C brands, build the foundation for overseas operations, and develop human resources who will lead the business. Transforming into an organization with high capability density through the promotion of AI Transformation (AX), rather than by increasing fixed costs, is also an important challenge.
- With regard to governance aspects, the internal controls by the Internal Audit Office indicate that there is room for improvement in organizing and strengthening the

division of roles and check-and-balance functions across departments, and ongoing efforts to refine the organizational structure, including human resource development, are necessary. Based on the Investigation Report, the Company has formulated and has been operating measures to prevent recurrence, focused on reforming management's mindset, ensuring the effectiveness of the Board of Directors' supervisory function, strengthening the management system for related-party transactions, and reinforcing information management systems. In addition, in order to eliminate the material weakness requiring disclosure in internal controls with respect to the standards for the election and dismissal of directors, it is necessary to complete both the design and operation of the processes by the end of the current fiscal year (end of December 2026). In this regard, the Company is working toward the goal of completing the review of qualification of directors by the end of December 2026 at the Nomination and Compensation Committee, a majority of members of which are outside directors, based on an assessment performed by an external organization.

- The grace period for the TSE Reexamination is scheduled to expire on June 18, 2027, and the Company is making preparations toward this deadline.

(C) Evaluation by the Special Committee

The Company's recognition of its management challenges and Integral's recognition of the Company's management challenges are generally consistent, and neither is found to be particularly unreasonable.

(4) Significance of the Transaction

(A) Details of Integral's Initiatives to Enhance Corporate Value

According to Integral, it is considering the following initiatives to enhance the Company's corporate value:

[i] Strengthening Brand and Sales Strategies

- To seek further growth of existing brands, to execute growth investments in new brands and new products efficiently and flexibly without being constrained by the impact on short-term revenue, and to support the creation and expansion of core businesses that become new pillars of revenue.
- To make maximum use of the investment practice knowledge that Integral has gained from the 40 investments it has made to date (as of today), and to support the strengthening of brand strategies through M&A and other means in areas where the Company's competitiveness would be enhanced.

[ii] Acceleration of Overseas Expansion

- To support the development of a framework, including the search for local

partners utilizing Integral's network, the securing of personnel to engage in the overseas business, and the expansion of local marketing and branding strategies, with the aim of advancing the development of sales channels in new regions such as Asia, North America and Europe.

- To consider further strengthening the overseas business foundation by flexibly applying in each market the Company's business model , which utilizes both online and offline sales channels and is one of the strengths of the Company.

[iii] Strengthening Governance and the Management Foundation by Utilizing the Support Framework of Integral

- Integral believes that embedding the operation of the measures to prevent recurrence that the Company has formulated and is working to implement into the organization, and establishing a state in which governance functions continuously, will serve as the foundation for realizing the various synergies.
- In addition to supporting the strengthening of governance as described above, Integral will help further strengthening of the management control framework by providing on-site support through "i-Engine" and support for the recruitment of specialist personnel for administrative functions.

(B) The Company's View

According to the Company, it has the following views with respect to the initiatives to enhance corporate value that Integral is contemplating and the synergies expected from the Transaction:

- The industry in which the Company operates is characterized by significant earnings volatility, and the ability to decide on upfront investments independently of short-term evaluations by the capital markets is advantageous for restoring trial rates for the existing core brands and for developing new categories.
- The usefulness of Integral's network of overseas investors is limited at present, and it is unclear from Integral's track record whether Integral can approach personnel capable of leading the businesses that would execute the overseas digital marketing sought by the Company. Nevertheless, the Company considers the on-site, locally stationed back-office support that Integral can provide to be beneficial.
- In terms of governance, it is not necessarily clear what specific support can be expected from Integral regarding the strengthening of governance accompanying the overseas expansion that the Company requires, or regarding the strengthening of compliance and governance from a management perspective. Nevertheless, the fact that Integral, as the majority shareholder, will nominate a majority of the Board of Directors and dispatch resident representatives will create a structural check on the concentration of authority in the Representative Director that was pointed out

in the Investigation Report, which contributes to overcoming the management challenges.

- In terms of finance, the Company considers it beneficial that, in addition to reduction in the costs of maintaining a listing, such as shareholder benefits and IR, the certainty of financing will be increased through funds contributed by Integral in the event that borrowing from financial institutions proves difficult.

(C) Evaluation by the Special Committee

The Company does not necessarily share the same recognition or expectations as Integral with respect to all of the synergies that Integral expects to achieve through the realization of its initiatives to enhance corporate value. Nevertheless, taking the Company private is considered to contribute from a longer-term perspective to restoring trial rates for the existing core brands and developing new categories, which are among key management challenges, without being unduly constrained by the impact on short-term earnings. In addition, as a result of the Transaction, Integral will hold a majority of voting rights in the Company in place of Mr. Onishi and COH, resulting in a change of control. This change of control is expected to lead to the establishment of a more direct and effective governance framework, as the Company's management will be conducted under the management and supervision of Integral, the new majority shareholder, following the Transaction.

In light of the above, no particularly unreasonable points are found in the synergies expected by Integral or in the Company's views with respect thereto.

(5) Comparison between Other Available Alternatives (Maintaining the Listing) and the Transaction (Taking the Company Private)

(A) The Company's View

While the Company is currently implementing growth investment and governance reforms at the same time, the need to prioritize management resources toward addressing the TSE Re-examination will inevitably impose certain constraints on the operational transformation initiatives involving the use of AI, including the review of business workflows linked to systems subject to internal control assessments. Moreover, while strengthening the Company's core brands, venturing into new product categories, and expanding overseas require significant upfront investment and time, the Company believes that, if it remains listed, the potential for quarterly earnings volatility and market share-price reactions during these upfront investment phases could constrain investment decisions.

Although it is not entirely impossible to implement these measures while maintaining the listing of the Company Shares, doing so entails considerable uncertainty. By

delisting the Company Shares through the Transaction, the Company can eliminate such uncertainty, thereby enabling the Company to more reliably and expeditiously advance the governance reforms, including the firm-wide embedding of measures to prevent recurrence, as well as growth investments, further increasing the feasibility thereof.

(B) Evaluation by the Special Committee

The assessment of the Company that taking the Company private through the Transaction would increase the feasibility of both growth investments and governance reforms, including the reasons given for such view, can be considered valid.

(6) Disadvantages of the Transaction

According to the Company, if the Company Shares are delisted, the Company would no longer be able to raise capital through equity financing in the capital markets, and the delisting may have impact on its efforts to secure excellent talent and expand business partners that were made possible by improved social credibility and name recognition, which the Company has enjoyed as a listed company. However, given the Company's current cash-generation power and the state of financing through financial institutions, the Company believes there is no particular concern in terms of raising capital. With regard to social recognition and credibility, the Company believes it has gained sufficient trust from its customers and business partners through its business activities thus far and being a listed company is not what underpins the brand value of the Company; accordingly, the impact from delisting of the Company Shares will be limited. No unreasonable aspects have been identified in the Company's recognition and views described above.

(7) Post-Transaction Managerial Policy

According to Integral, the managerial policy following the Transaction is as follows:

- Mr. Onishi plans to continue to manage the Company after the Transaction and to promote each of the management initiatives described in (4)(A) above.
- Integral expects to dispatch several directors to the Company after the Transaction; however, the specific selection of individuals, the timing and other matters have not been determined as of today, and Integral plans to determine its policy through discussion and consideration with the Company after the successful completion of the Tender Offer.
- The Integral Company Group has entered into a management services agreement with Mr. Onishi under which Mr. Onishi will be engaged to perform the duties of representative director or director of the Company, and details of the management structure of the Company after the Transaction, including its officer composition, are

expected to be determined in consultation with the Company after the Transaction. In addition to the management services agreement, the Integral Company Group has entered into a shareholders agreement with the Non-Tendering Shareholders to agree on matters regarding, among other things, the management and shares of the Company after the Share Consolidation has taken effect.

- Integral does not plan to change the Company's operational structure in connection with the Transaction.
- [In principle, the Company's basic policy is to maintain the employment of its employees after the successful completion of the Tender Offer, and there are no plans to change this policy at this time. While the introduction of an incentive plan for its employees following the Transaction is planned to be considered, no specific details have been decided at this time.]

The Company has indicated that it has no objection to Integral's policies described above.

(8) Summary

In light of the above, the Company will, by going private through the Transaction, be able to implement various initiatives to address its management challenges with support from Integral, thereby enabling the Company to achieve higher growth. At the same time, the disadvantages of going private through the Transaction are limited, and the benefits are considered to outweigh the disadvantages when compared to maintaining the listing. In addition, there is no particular difference in perspective between Integral and the Company with regard to the Company's managerial policy.

Accordingly, the Transaction is considered to contribute to enhancing the Company's corporate value.

2. Fairness of the Transactional Terms and Conditions

Taking (1) through (6) below into account comprehensively, the Tender Offer Price and other terms and conditions of the Transaction are considered to be fair.

(1) Tender Offer Price

Taking (A) through (F) below into account comprehensively, the Tender Offer Price is not found to be at a level that should be deemed inappropriate, but it is appropriate to take a neutral position as to whether the Company's shareholders and the Share Option Holders should tender their shares or share options in the Tender Offer and to leave to the judgment of the Company's shareholders and Share Option Holders.

(A) Reasonableness of the Business Plan

[i] Process of Preparation of the Business Plan

The Business Plan used by Daiwa Securities and Plutus as the basis for their valuations under the DCF method was prepared by the Company's Director, Executive Officer and CFO, the heads of each business unit and others, for the purpose of valuing the Company Shares in the Transaction and without the involvement of Tender Offeror or the Non-Tendering Shareholders, and therefore no arbitrary influence was considered to have been exerted by Tender Offeror or the Non-Tendering Shareholders in the process of its preparation.

[ii] Contents of the Business Plan

The Special Committee, while receiving advice from Plutus, held question-and-answer sessions with the Company with respect to its contents, and found no unreasonable aspects in the material assumptions, feasibility and other aspects.

Although the Business Plan sets targets that are significantly different from the 2030 targets (net sales of 100 billion yen and operating profit of 11 billion yen) in the FY2025 Earnings Outlook and Summary of Medium-Term Management Policy that the Company released on February 12, 2026, according to the Company, this is because the 2030 targets were not built up from figures in different divisions but were set as medium-to-long-term visions that management aimed toward, whereas the Business Plan is based on building up of figures from different divisions and incorporates the rollout of new brands and new initiatives into the projected figures, with their feasibility taken into account. No unreasonable aspects have been identified in the Company's explanation.

In addition, the financial forecasts include fiscal years in which a large increase in revenue and a substantial rise in free cash flow are projected compared to the previous fiscal year. Specifically, operating income is expected to rise significantly in the fiscal years ending December 31,2028 and December 31, 2029, and free cash flow is expected to increase substantially in the fiscal year ending December 31, 2029. This is because, in addition to revenue growth driven by the launch of new brands and products and the expansion of business areas such as D2C, improvements in cost of goods sold and advertising investment efficiency, along with greater operational streamlining, are expected to lead to reductions in personnel and fixed costs. Regarding this point as well, the Special Committee, while receiving advice from Plutus, engaged in a question-and-answer session with the Company concerning the details thereof, but no unreasonable aspects were found in the Company's explanations.

Accordingly, the Business Plan is found to be reasonable enough to be used as the basis for the valuation of the Company Shares.

(B) Valuation of the Company Shares by Plutus

[i] Reasonableness of the Valuation Methods and Contents

The Special Committee was given explanations from Plutus with respect to the valuation methods used in its valuation of the Company Shares, the reasons for adopting those methods, the details of the valuations under each method, the material assumptions and other matters, and after holding question-and-answer sessions and deliberating and examining these matters, confirmed the reasonableness thereof.

[ii] Valuation Results

In the Share Valuation Report (Plutus), Plutus has calculated the value per Company Share as follows:

- Market price method [i][2] 1,245 yen – 1,446 yen
- Market price method [ii][3] 1,659 yen – 2,530 yen
- DCF method 2,047 yen – 3,904 yen

The Tender Offer Price exceeds the upper limit of the valuation results under the market price method [i], falls within the ranges of the valuation results under the market price method (ii), and falls within the ranges of the valuation results under the DCF method.

(C) Valuation of the Company Shares by Daiwa Securities

[i] Reasonableness of the Valuation Methods and Contents

The Special Committee was given explanations from Daiwa Securities with respect to the valuation methods used in its valuation of the Company Shares, the reasons for adopting those methods, the details of the valuations under each method, the material assumptions and other matters, and after holding question-and-answer sessions and deliberating and examining these matters, confirmed the reasonableness thereof.

[ii] Valuation Results

In the Share Valuation Report (Daiwa Securities), Daiwa Securities has calculated the value per Company Share as follows

- Market price method [i] 1,245 yen – 1,446 yen
- Market price method [ii] 1,659 yen – 2,530 yen
- DCF method 1,745 yen – 2,883 yen

The Tender Offer Price exceeds the upper limit of the valuation results under market price method [i], falls within the ranges of the valuation results under the market price method (ii), and falls within the ranges of the valuation results under

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[2] The valuation reference date is September 14, 2026, a date on which the market price is considered not to have been affected by the Speculative Reports.

[3] The valuation reference date is November 19, 2026.

the DCF method.

(D) Premium Analysis

The Tender Offer Price of 2,248 yen represents a discount of 11.15% from the closing price of 2,530 yen of the Company Shares on the Tokyo Stock Exchange Prime Market on November 19, 2026, the business day immediately preceding the date of announcement of the Tender Offer; a discount of 7.22% from the simple average closing price of 2,423 yen for the past one month up to that date; a premium of 8.76% over the simple average closing price of 2,067 yen for the past three months up to that date; and a premium of 35.50% over the simple average closing price of 1,659 yen for the past six months up to that date, respectively.

[Looking at the movement of the Company's share price over the past year, the share price temporarily fell to around 1,000 yen against the background of announcements such as the establishment of the Special Investigation Committee and the postponement of the announcement of financial results in February 2026, but subsequently it gradually recovered and generally fluctuated within a range of around 1,000 yen to 1,500 yen. Following speculative reports by certain media outlets regarding the Tender Offer (the "**Speculative Reports**") on September 15, 2026, the share price rose sharply, hitting the daily upper price limit on the following business day, and the highest closing price up to November 19, 2026, the business day immediately prior to the announcement date of the Tender Offer, was 2,534 yen (closing price on November 5, 2026). There have been no particular corporate actions or disclosures that could account for such a sharp rise in the share price and, the Company understands that aside from the Speculative Report, there are no other factors that could explain the rise in the share price. Given this understanding, it is not unreasonable to conclude that the price of the Company Shares is being influenced to a considerable extent by factors such as expectations regarding the Tender Offer.

Therefore, in evaluating the premium level of the Tender Offer Price, the price was examined on the basis of the price of Company Shares on September 14, 2026, the business day immediately preceding the date of the Speculative Reports, based on the perspective of using a share price from a point in time believed to be unaffected by the Speculative Reports as a benchmark, and the Tender Offer Price represents premium of 55.68% over the closing price of 1,444 yen of the Company Shares on the Tokyo Stock Exchange Prime Market on September 14, 2026; of 55.46% over the simple average closing price of 1,446 yen for the past one month up to that date; of 70.17% over the simple average closing price of 1,321 yen for the past three months up to that date; and of 80.56% over the simple average closing price of 1,245 yen for the past six months up to that date, respectively, and this premium level is considered comparable

to the median premium observed in 109 MBO cases (42.41% over the closing price of the business day immediately preceding the announcement date; 44.68% over the simple average closing price for the past one month; 46.84% over the simple average closing price for the past three months; and 49.16% over the simple average closing price for the past six months) announced on or after June 28, 2019 on which the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines."

(E) Process of Discussions and Negotiations with Integral

The Special Committee engaged in multiple rounds of discussions and negotiations with Integral with respect to the terms and conditions of the Transaction, while obtaining advice from Plutus from a financial perspective and from LBX Legal Advisors from a legal perspective. The specific course of the negotiations is as follows.

- On October 23, 2026, the Company and the Special Committee received from Integral the first price proposal stating that the Tender Offer Price would be 1,700 yen, and the price for purchase, etc. per Share Option (the "**Share Option Purchase Price**") would be 1 yen. In response, on October 26, 2026, the Special Committee demanded that Integral consider a significant raise of the proposed price on the grounds that the proposed price is woefully insufficient in consideration of the Company's intrinsic value based on the Company's business plan. The Special Committee also communicated to Integral that since the Share Option Purchase Pirce is 1 yen, even if the Company expresses an opinion in support of the Tender Offer, the Special Committee considers it appropriate to the Share Option Holders that the Company leaves to the judgement of the Share Option Holders the matter of whether to tender their share options in the Tender Offer.
- Thereafter, on November 4, 2026, the Company and the Special Committee received from Integral a second price proposal setting the Tender Offer Price at 2,050 yen and the Share Option Purchase Price at 1 yen. In response, on November 6, 2026, the Special Committee informed Integral that the proposed price was still insufficient in relation to the Company's intrinsic value based on the Company's business plan, that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and that it would still be difficult to issue an opinion in support of the Tender Offer, although there was room for consideration in that regard, and the Special Committee requested that Integral consider increasing the proposed price taking the current share price into account, and also requested that Integral consider setting the minimum number of shares to be purchased at a level at which a resolution of the general meeting of shareholders relating to the Share

Consolidation can reasonably be expected to be adopted.

- Thereafter, on November 9, 2026, the Company and the Special Committee received from Integral a third price proposal setting the Tender Offer Price at 2,150 yen, the Share Option Purchase Price at 1 yen and the Share Repurchase Price at 1,486 yen, and stating that the minimum number of shares to be purchased was under consideration. In response, on November 11, 2026, the Special Committee informed Integral that, although the proposed price was at a level that could be given a certain degree of credit in light of the premium levels in recent comparable precedents when measured against the Company's share price on or before September 14, 2026, which is considered not to have been affected by the speculative reports described above, it could hardly be said to have reached a sufficient level in relation to the Company's intrinsic value based on the Company's business plan, that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and that it would still be necessary to continue to consider carefully whether to issue an opinion in support of the Tender Offer, and the Special Committee proceeded to request that Integral consider raising the proposed price again to a level in line with the current share price, and advised that, unless the proposed price were so increased, whether the Company's Board of Directors should express an opinion recommending that shareholders tender their shares and the Special Committee should issue a favorable report on the recommendation to tender, as required by Integral as preconditions to the Tender Offer, would need to be revisited. The Special Committee also requested that Integral continue to consider setting the minimum number of shares to be purchased and, from the perspective of objectively ensuring the fairness of the terms and conditions of the transaction, requested that Integral set a so-called "Majority of Minority" minimum number of shares to be purchased.
- Thereafter, on November 13, 2026, the Company and the Special Committee received from Integral a fourth price proposal setting the Tender Offer Price at 2,215 yen, the Share Option Purchase Price at 1 yen and the Share Repurchase Price at 1,528 yen, and stating that the minimum number of shares to be purchased was still under consideration, and the "Majority of Minority" minimum number of shares to be purchased would not be set. In response, on November 16, 2026, the Special Committee informed Integral that, although the proposed price was at a level that could be given a certain degree of credit in light of the premium levels in recent comparable precedents and the Company's intrinsic value based on the Company's business plan when measured against the Company's share price on

or before September 14, 2026, which is considered not to have been affected by the speculative reports described above, it could hardly be said to have reached a sufficient level when compared with the current share price, and that it would be difficult to issue an opinion recommending that shareholders tender their shares in the Tender Offer, and the Special Committee, taking into account the possibility that no minimum number of shares to be purchased might be set, proceeded to request that Integral consider raising the proposed price again.

- Subsequently, on November 19, 2026, the Company and the Special Committee received from Integral a fifth price proposal setting the Tender Offer Price at 2,248 yen, the Share Option Purchase Price at 1 yen and the Share Repurchase Price at 1,550 yen, with no minimum number of shares to be purchased, and stating that the portions of the preconditions for the Tender Offer relating to the expression of an opinion by the Company's Board of Directors recommending that shareholders tender their shares and the Special Committee's favorable report regarding such tender recommendation would be amended to an expression by the Company's Board of Directors of an opinion in support of the Tender Offer and a neutral position as to tendering, along with the Special Committee's favorable report in this regard. In response, the Special Committee replied to Integral on the same day, stating that it considers it appropriate for the Company to support the Tender Offer at the proposed price and to take a neutral position and leave to the judgement of the Company's shareholders and Share Option Holders the matter of whether to tender their shares or share options in the Tender Offer.

As described above, the Tender Offer Price was determined as a result of price negotiations between the Special Committee and Integral, based on the advice provided to the Special Committee by experts. The Special Committee requested a price reconsideration on 5 occasions in the past, and in response to these requests, Integral raised the Tender Offer Price to 2,248 yen, which is 548 yen higher than the initially proposed price. Therefore, the discussions and negotiations between the Special Committee and Integral can be evaluated as effectively equivalent to negotiations between independent parties, and the Special Committee believes that reasonable efforts were used aiming to conduct the Transaction based on terms and conditions that are as favorable as possible to the general shareholders.

(F) The Impact of Disclosing Negative Information on the Market Share Price

The Company disclosed the "Notice Regarding Decision by the Financial Services Agency to Issue an Order for Payment of an Administrative Monetary Penalty" on September 17, 2026, which was around the time of the Transaction, and also disclosed

the “Notice Regarding Entry into a Grace Period Pertaining to Reexamination due to Violation against a Written Oath and the Imposition of Listing Agreement Violation Penalty” on June 19, 2026. However, these disclosures were made in response to the Suspected Matter and because disclosure was required at that time, not related to the consideration of the Transaction, and cannot be deemed to have been made by the Company with the intent to intentionally lower its market share price.

The Company disclosed the “Notice Regarding the Establishment of a Special Investigation Committee and the Postponement of the Announcement of Full-Year Financial Results for the Fiscal Year Ending December 2025” on February 12, 2026 (the “**Disclosure Dated February 12**”), and against the backdrop of this disclosure, the Company’s market share price temporarily fell to around 1,000 yen. Accordingly, taking into account the Disclosure Dated February 12 and its subsequent impact on the Company’s market share price, the Special Committee will verify the appropriateness of the premium level for the Tender Offer Price, which was examined in (D) above.

From the perspective of using the stock price at a point in time when it is considered unaffected by the Disclosure Dated February 12 as a baseline, taking the price of the Company Shares on February 10, 2026, the business day immediately preceding the date of the disclosure, as a baseline, the Tender Offer Price represents a premium of 61.73% over the closing price of 1,390 yen of the Company Shares on the Tokyo Stock Exchange Prime Market on February 10, 2026; of 66.15% over the simple average of the closing prices of 1,353 yen for the past one month up to that date; of 62.55% over the simple average of the closing prices of 1,383 yen for the past three months up to that date; and of 58.53% over the simple average of the closing prices of 1,418 yen for the past six months up to that date, respectively. These premium levels cannot be considered particularly low when compared to the various premium levels examined in section (D) above that are based on the price of the Company Shares as of September 14, 2026, the business day immediately preceding the date of the Speculative Reports.

In addition, the series of disclosures regarding the Suspected Matter, including the Disclosure Dated February 12, cannot be deemed to have been issued with the intentional objective of lowering the Company’s market share price, and also considering that more than nine months have passed since the Disclosure Dated February 12, during which the Company has released the findings of the investigation into the Suspected Matter and measures to prevent recurrence, and published the Company’s financial results for the full fiscal year ending December 31, 2025, as well as for the first, second, and third quarters of the fiscal year ending December 31, 2026, it is highly unlikely that the market share price prior to the Disclosure Dated February 12 reflects the Company’s current situation.

In light of the above, based on the series of disclosures regarding the Suspected Matter, including the Disclosure Dated February 12, and the subsequent movement of the Company's market share price, the appropriateness of the premium levels for the Tender Offer Price, as examined in (D) above, is considered to remain undiminished.

(2) Amount Payable to General Shareholders in the Squeeze-out Procedures

According to Tender Offeror, in the Squeeze-out Procedures, it is intended that a method will be used whereby ultimately cash will be delivered to each shareholder of the Company who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Company and the Non-Tendering Shareholders), if the Tender Offer is successfully completed. In such a case, the amount of cash to be delivered to each such shareholder will be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Company Shares that had been held by each shareholder.

As stated in (1) above, the Tender Offer Price is not at a level that should be deemed inappropriate, and accordingly, the amount to be paid to general shareholders in the Squeeze-out Procedures is also not at a level that should be deemed inappropriate based on the same rationale as that applied to the Tender Offer Price.

(3) Share Option Purchase Price

With respect to the Share Options, Tender Offeror notes that the conditions for exercise of Series 3 Share Options, Series 5 Share Options, Series 6 Share Options, Series 7 Share Options and Series 8 Share Options stipulate that the holder must be a director or employee of the Company or its subsidiary at the time of exercise, and therefore, such Share Options could not be exercised even if Tender Offeror were to acquire the Share Options, and consequently, Tender Offeror has set the Share Option Purchase Price at 1 yen.

While this pricing by Tender Offeror is not considered unreasonable, the Company finds no basis to recommend that the holders tender their Share Options. Therefore, it is appropriate to leave to the judgment of the Share Option Holders the matter of whether to tender their share options in the Tender Offer.

Although the Company and the Special Committee have not obtained a valuation report from a third-party calculation agency with respect to the Share Option Purchase Price, failing to obtain such a report cannot be considered unreasonable, given that the Share Option Purchase Price has been set at 1 yen for the reasons stated above.

(4) Amount Payable to Remaining Share Option Holders after the Successful Completion of the Tender Offer

Tender Offeror has stated that, even if the Tender Offer is successfully completed, should it

be unable to acquire all of the Share Options through the Tender Offer and should any Share Options remain unexercised, it plans to take the steps reasonably necessary to complete the Transaction, such as acquiring and canceling the remaining Share Options and encouraging the Share Option Holders to waive their rights.

In this regard, with respect to Series 3 Share Options and Series 5 Share Options, since the exercise period has commenced for all such Share Options and the Share Option Holders may exercise such Share Options to convert them into common shares and then tender their shares in the Tender Offer, the implementation of the procedures described above would not result in any substantial disadvantage to such Share Option Holders.

With respect to Series 6 Share Options and Series 7 Share Options, although the exercise period has commenced during the term of the Tender Offer, holders thereof are unable to exercise a portion of these Share Options, and such holders cannot tender their shares in the Tender Offer after converting such portion into common shares. However, as noted in (3) above, setting the Share Option Purchase Price at 1 yen is not considered unreasonable, and given that Tender Offeror, while having yet to determine specific details, intends to consider implementing an incentive plan for the Company's employees after the completion of the Transaction, the procedures described above, if implemented, cannot be deemed unreasonable.

With respect to Series 8 Share Options, the exercise period (scheduled to commence on April 1, 2029) has not yet commenced during the term of the Tender Offer and thus holders thereof cannot exercise these options to convert them into common shares and then tender such shares in the Tender Offer. However, given that it remains unclear whether the performance-based exercise conditions, which are determined based on consolidated net sales and EBITDA for the fiscal year ending December 31, 2028, will be satisfied, the procedures described above, if implemented, cannot be deemed unreasonable .]

(5) Share Repurchase Price

In the Transaction, COH has agreed in the non-tendering agreement to be entered into among Mr. Onishi, COH and Tender Offeror on November 20, 2026, to sell a portion of the Company Shares it holds in the Share Repurchase so that the total ratio of voting rights held by the Non-Tendering Shareholders in the Tender Offeror Parent Company will be 49% as a result of the Transaction, and the consideration for the Share Repurchase is planned to be 1,550 yen per Company Share held by COH (the "**Share Repurchase Price**").

In this regard, since the Share Repurchase Price is set so that after-tax proceeds, which may be obtained if COH complies with the Share Repurchase, are the same or lower than the after-tax proceeds if COH tender their shares in the Tender Offer, taking into account the application to COH of the regulation for excluding deemed dividend from gross revenue set

forth in the Corporation Tax Act (Act No. 34 of 1965, as amended), it is considered that no inequality will arise between COH and the Company's general shareholders.

(6) Appropriateness of the Method of Acquisition and Type of Consideration for the Acquisition

(A) Method of Acquisition

In the Transaction, it is anticipated that the Share Consolidation will take place after the Tender Offer is successfully completed. According to Tender Offeror, the amount of cash to be delivered to the Company's shareholders (excluding Tender Offeror and the Non-Tendering Shareholders) as consideration upon the Share Consolidation is scheduled to be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by each shareholder.

The structure of the Transaction is a method generally adopted in this type of delisting transaction. In addition, during the second-stage procedure, dissenting shareholders of the Company may file a petition with the court for price determination pursuant to the provisions of the Companies Act.

Furthermore, according to Tender Offeror, even if the Tender Offer is successfully completed but it is unable to acquire all of the Share Options through the Tender Offer and any Share Options remain unexercised, Tender Offeror plans to request that the Company perform, or to perform itself, the procedures reasonably necessary to execute the Transaction, such as acquiring and canceling the Share Options and encouraging the Share Option Holders to waive their rights.

(B) Type of Consideration for the Acquisition

In the Transaction, since the shareholders will receive consideration in the form of cash, it offers the advantages of being easily quantifiable, highly stable and objective in value, and not requiring conversion to cash for exchange with other goods, and it is also considered desirable from the perspective that it allows for both the prompt delisting of the Company and the provision of the opportunity and time to make appropriate decisions based on sufficient information for general shareholders and others.

Based on the foregoing, adopting a two-step acquisition involving a tender offer as the method of acquisition and paying the consideration for the acquisition in cash is desirable for the Company's shareholders, and the method of acquisition and the type of consideration for the acquisition in the Transaction are appropriate.

3. Fairness of the Procedures

Taking into account the factors listed in (1) through (10) below comprehensively, the procedures for the Transaction are considered to be fair:

(1) Establishment of an Independent Special Committee

(A) Timing of Establishment

The Company received notification from the Non-Tendering Shareholders on August 17, 2026 stating that the Non-Tendering Shareholders were considering delisting the Company Shares by transferring the Company Shares held by the Non-Tendering Shareholders to an appropriate third party, that the Non-Tendering Shareholders were conducting a selection process to which multiple sponsor candidates were invited, and that the Non-Tendering Shareholders were requesting the establishment of a special committee, and the Company thereupon established the Special Committee on August 26, 2026. Therefore, it is recognized that the Special Committee's involvement in the Transaction was ensured from the initial stages of the process of establishing the terms and conditions of the Transaction.

(B) Composition of the Committee

The Special Committee consists of five independent outside directors of the Company, and each member is considered to be independent of the Company, Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, as well as from the outcome of the Transaction, and has been confirmed to possess the necessary qualifications.

(C) Compensation

In considering the Transaction, the Company's Board of Directors has decided to pay the members of the Special Committee a fixed compensation as consideration for the performance of their duties, regardless of the outcome of the Transaction, and a success-based compensation system has not been adopted. Thus, since a system has been adopted whereby remuneration necessary for the Special Committee to properly fulfill its required roles is paid regardless of the outcome of the Transaction, it is recognized that each member is able to make a sufficient commitment in terms of time and effort, and that an environment has been established to enable the members to make judgments from a position independent of the outcome of the Transaction.

(D) Number and Duration of Meetings, etc.

The Special Committee held a total of 12 meetings (with a total duration of approximately 12 hours) between August 26, 2026 and November 19, 2026. In addition, even on days other than scheduled meeting dates, the Special Committee engaged in reporting, information sharing, deliberations, and decision-making from time to time via email and other means. In light of the above, the Special Committee can be considered to have exhausted all necessary discussions to examine the Consultation Matters.

(E) Involvement in the Negotiation Process Relating to Transactional Terms and Conditions with the Purchaser

The Special Committee deliberated and reviewed the terms and conditions of the Transaction, taking into account financial advice from Plutus and legal advice from LBX Legal Advisors, and, as detailed in V. 2.(1) (E) above, engaged in negotiations on multiple occasions to request a reconsideration of the Tender Offer Price. As a result, the Tender Offer Price was ultimately raised from 1,700 yen initially proposed by Integral to 2,248 yen.

(F) Obtaining Information

The Special Committee sent a list of questions to Tender Offeror, the Non-Tendering Shareholders and the Company and received their responses, and collected the information necessary for its consideration and determination, including by requesting additional information. Therefore, the Special Committee, acting on behalf of the general shareholders, can be considered to have obtained important information, including non-public information, and taken as a whole, to have considered, and made its determination on, the Consultation Matters based on a full understanding of such important information.

(2) The Special Committee's Obtainment of Advice and Share Valuation Report from an Independent Financial Advisor and Third-Party Calculation Agency

The Special Committee appointed Plutus as its independent financial advisor and third-party calculation agency independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and of the outcome of the Transaction, received advice from a financial perspective regarding the valuation of the Company Shares and price negotiations, among other matters, and obtained the Share Valuation Report (Plutus) dated November 19, 2026. The Special Committee has confirmed that Plutus does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders or the Company, and has no material interest in the Transaction. Additionally, the compensation paid to Plutus is limited to a fixed fee paid regardless of the outcome of the Transaction and does not include any contingency fee to be paid contingent upon the successful completion etc. of the Transaction.

In light of the foregoing, obtaining advice from Plutus from a financial perspective and the Share Valuation Report (Plutus) is deemed appropriate for ensuring the fairness of the procedures related to the Transaction.

(3) The Company's Obtainment of Advice and Share Valuation Report from an Independent

Financial Advisor and Third-Party Calculation Agency

To ensure the fairness of the Tender Offer Price and the fairness of the Transaction in general, the Company appointed Daiwa Securities as a financial advisor and third-party calculation agency independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and Company, and of the outcome of the Transaction, received advice from a financial perspective regarding the valuation of the Company Shares and price negotiations, among other matters, and obtained the Share Valuation Report (Daiwa Securities) dated November 19, 2026.

The Special Committee approved the appointment of Daiwa Securities after confirming that there are no issues regarding its independence, expertise or track record. The Special Committee has also confirmed that Daiwa Securities does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders or the Company, and that it has no material interest in the Transaction. Although the compensation paid to Daiwa Securities includes a contingency fee to be paid contingent upon the successful completion of the Transaction, the Company has, taking into account general industry practices for similar transactions, determined that the inclusion of such a contingency fee does not negate the independence of Daiwa Securities, and the Special Committee also finds this determination to be reasonable.

In light of the foregoing, obtaining advice from Daiwa Securities from a financial perspective and the Share Valuation Report (Daiwa Securities) is deemed appropriate for ensuring the fairness of the procedures related to the Transaction.

(4) Advice to the Special Committee from an Independent Law Firm

The Special Committee appointed LBX Legal Advisors as a legal advisor independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and of the outcome of the Transaction, and received legal advice on measures to be taken to ensure the fairness of the procedures for the Transaction, and on its consideration and deliberation regarding the by the Special Committee of the Consultation Matters. The Special Committee has confirmed that LBX Legal Advisors does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders or the Company, and that it has no material interest in the Transaction. Additionally, the compensation paid to LBX Legal Advisors is calculated by multiplying work hours by the hourly rate regardless of the outcome of the Transaction and does not include any contingency fee to be paid contingent upon the successful completion etc. of the Transaction.

In light of the foregoing, obtaining legal advice from LBX Legal Advisors is deemed appropriate for ensuring the fairness of the procedures related to the Transaction.

(5) Advice to the Company from an Independent Law Firm

To ensure the fairness and appropriateness of the Board of Directors' decision-making, the Company appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and of the outcome of the Transaction, and has received legal advice including advice on measures to be taken to ensure the fairness of the procedures for the Transaction, the various procedures of the Transaction, and the methods and processes of the Company's decision-making relating to the Transaction.

The Special Committee approved the appointment of Nakamura, Tsunoda & Matsumoto after confirming that there are no issues regarding its independence, expertise or track record. The Special Committee has also confirmed that Nakamura, Tsunoda & Matsumoto does not constitute a related party of any of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders or the Company, and that it has no material interest in the Transaction. Additionally, the compensation paid to Nakamura, Tsunoda & Matsumoto is calculated by multiplying work hours by the hourly rate regardless of the outcome of the Transaction and does not include any contingency fee to be paid contingent upon the successful completion etc. of the Transaction.

In light of the foregoing, obtaining legal advice from Nakamura, Tsunoda & Matsumoto is deemed appropriate for ensuring the fairness of the procedures related to the Transaction.

(6) Establishment of an Independent Consideration System at the Company

From the perspective of eliminating structural conflicts of interest, the Company established a consideration system which consists solely of its officers and employees (regarding the Company's directors, seven directors, excluding Mr. Onishi, who has a personal interest in the Transaction) who are considered independent of Tender Offeror, the Integral Company Group, the Non-Tendering Shareholders and the Company, and of the outcome of the Transaction.

The internal consideration system established by the Company for the Transaction, specifically, the scope and job duties of officers and employees who are involved in considering, negotiating and making determinations regarding the Transaction (including those requiring a high degree of independence, such as the preparation of the Business Plan), was designed based on advice from Nakamura, Tsunoda & Matsumoto. The Special Committee approved this consideration system, upon confirming that the scope and job duties of officers and employees who are involved in considering, negotiating and making determinations regarding the Transaction posed no issues from the perspective of independence.

Based on the foregoing, the Company can be considered to have established an effective internal system that allowed it to consider, negotiate and make determinations regarding the Transaction from a position independent of Tender Offeror and the Non-Tendering Shareholders.

(7) Measures for Ensuring Opportunities for Counterproposals by Other Purchasers (Market Check)

The Company and Tender Offeror have not entered into any agreement that includes any transaction protection clauses prohibiting the Company from having contact with persons making counterproposals, or any agreements with terms that would restrict persons making counterproposals from having contact with the Company.

Furthermore, according to Tender Offeror, Tender Offeror has set the tender offer period at 30 business days, which is longer than the statutory minimum of 20 business days. Tender Offeror states that, by setting the tender offer period longer than the statutory minimum period, Tender Offeror seeks to ensure that the Company's shareholders and Share Option Holders have appropriate decision-making opportunities regarding tendering their shares and share options in the Tender Offer and to ensure opportunities for persons other than Tender Offeror to make a counter offer for purchase of the Company Shares and Share Options, thereby ensuring the appropriateness of the Tender Offer Price. In this regard, with respect to the so-called active market check that investigates whether there is any potential purchaser in the market, the First Bid Process has been conducted by the Non-Tendering Shareholders in the Transaction, which can be considered as a form of active market check. Furthermore, the Non-Tendering Shareholders reportedly determined through the First Bid Process that Integral's proposal best aligns with the enhancement of the Company's corporate value and, consequently, the common interests of shareholders, and thus selected Integral as the final candidate and, while the Non-Tendering Shareholders hold a total of 56.45% of the Company Shares, they have stated that, in principle, they have no intention of accepting a competing proposal from a third party; therefore, conducting an additional active market check by the Company would not be appropriate. In addition, conducting an additional active market check is not necessarily straightforward from the perspective of information management and other considerations, and furthermore, with regard to the Transaction, including the Tender Offer, the Company and the Special Committee have implemented well-developed measures to ensure fairness, including procedures to verify the outline of the First Bid Process and the appropriateness of the process and results of the selection of the sponsor candidates, and thus full consideration is considered to have been given to the interests of the Company's shareholders and Share Option Holders through fair procedures. Therefore, the fact that the Company has not conducted additional active market

checks does not impair the fairness of the procedures in the Tender Offer.

(8) Setting Majority of Minority Conditions

According to Tender Offeror, Tender Offeror believes that setting a minimum number of shares to be purchased in the Tender Offer that would represent a so-called Majority of Minority ("**MoM**") would make success of the Tender Offer uncertain and in fact may not be in the interests of the Company's general shareholders and Share Option Holder who wish to tender their shares or share options in the Tender Offer, and thus Tender Offeror has not set an MoM minimum number of shares to be purchased in the Tender Offer.

According to Tender Offeror, because Tender Offeror and the Company have implemented the measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, Tender Offeror believes that full consideration has been given to the interests of the Company's minority shareholders and Share Option Holders, and the Company states that it shares this view.

The Special Committee also believes that, in light of these circumstances and the fact that the Tender Offer Price is considered to be at a reasonably fair level, it cannot be considered to be unreasonable not to set a minimum number of shares to be purchased in the Tender Offer that exceeds the Majority of Minority threshold.

(9) Enhancement of the Provision of Information to General Shareholders and Improvement of the Transparency of Processes

The Press Release is deemed to provide comprehensive information regarding the consideration process within the Special Committee and the extent of its involvement in the negotiation process, the contents of the Report, an overview of the Share Valuation Report (Plutus) and the Share Valuation Report (Daiwa Securities), along with other relevant information, the process leading up to the execution of the Transaction, and the background and objectives for selecting the Transaction, as well as other relevant information.

Therefore, the Company's shareholders and Share Option Holders are deemed to have been provided with an opportunity to make appropriate decisions regarding the Transaction based on sufficient information.

(10) Considerations to Prevent Undue Pressure

(i) According to the Tender Offeror, (i) it plans, promptly after the completion of settlement of the Tender Offer, to request that the Company convene the Extraordinary General Shareholders Meeting that includes proposals concerning the implementation of the Share Consolidation and partial amendment of the articles of incorporation to abolish provision on the number of shares constituting one share unit, subject to the

Share Consolidation taking effect, and it will not adopt any method that does not guarantee the Company's shareholders the right to demand the purchase of their shares or the right to demand the determination of a price, and (ii) it has clarified that, upon the Share Consolidation, the amount of cash to be delivered to the Company's shareholders as consideration will be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by each such shareholder (excluding Tender Offeror, the Non-Tendering Shareholders and the Company), and therefore, consideration has been given to ensure that the Company's shareholders have an opportunity to make an appropriate decision regarding whether or not to tender their shares in the Tender Offer, thereby preventing any coercive effect.

(ii) Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer, and has provided the following rationale with respect to the reason therefor.

In calculating the number of voting rights required for the approval of the proposal relating to the Share Consolidation, Tender Offeror determined that it should refer to the voting rights exercise ratios at the past ordinary general meetings of shareholders of the Company, and specifically, considering that the economic and social environment surrounding the Company, as well as the composition of its shareholder base, may undergo certain changes, Tender Offeror concluded that a five-year look-back period is appropriate and sufficient for accurately gauging recent trends in how the Company's shareholders exercise their voting rights. Tender Offeror also determined that, for the purpose of estimating the voting rights required for the proposal relating to the Share Consolidation, it would be more conservative to use the maximum voting rights exercise ratio observed over those five years, rather than the average, and accordingly, Tender Offeror calculated the number of voting rights necessary to pass the special resolution for the Share Consolidation in reference to the ratio of 73.61% (rounded to the second decimal place), which is the highest voting rights exercise ratio recorded by shareholders other than the Non-Tendering Shareholders at the ordinary general meetings of shareholders of Company over the past five years.

As indicated in the "Fair M&A Guidelines" formulated by the Ministry of Economy, Trade and Industry on June 28, 2019, which states that "as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms," Tender Offeror presumes that, among passive index funds, there are funds that do not tender their shares in a tender offer in principle regardless of the appropriateness of the terms

and conditions, but that exercise their voting rights in favor at a subsequent general meeting of shareholders relating to a squeeze-out. Accordingly, in the Tender Offer as well, Tender Offeror has come to conclude that if the sum of the number of voting rights in the Company held by Tender Offeror and the Non-Tendering Shareholders, *plus* the number of voting rights associated with the number of Company Shares held by passive index funds exceed the number of voting rights required for approving and adopting a special resolution for the Share Consolidation at a general meeting of shareholders, it is highly probable that the proposal relating to the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting. As it is difficult to ascertain from public information the most recent aggregate number of Company Shares held by passive index funds, Tender Offeror estimates the number of Company Shares held by passive index funds as approximately 733,630 shares (ownership ratio: 4.10%) based on database information from multiple information vendors providing data services on financial markets and other matters (Bloomberg and FactSet).

In light of the above, as of today, the sum (107,640 voting rights) of the voting rights held by the Non-Tendering Shareholders (100,304 voting rights) and the voting rights relating to the number of Company Shares held by passive index funds (733,630 shares) (7,336 voting rights) exceeds the number of voting rights deemed necessary to secure the approval of a special resolution at the general meeting of shareholders for the Share Consolidation (105,432 voting rights), and consequently, Tender Offeror anticipates that the proposal relating to the Share Consolidation will be approved, and has therefore decided not to set a minimum number of shares to be purchased in the Tender Offer.

[Given that (i) the maximum voting rights exercise ratio (73.61%) assumed by Tender Offeror in the estimate referred to above is significantly higher than the 44.88% voting rights exercise ratio of shareholders other than the Non-Tendering Shareholders recorded at the most recent (19th) ordinary general meeting of shareholders, Tender Offeror can be considered to have adopted a conservative estimate with respect to the voting rights exercise ratio for the general meeting of shareholders relating to the Share Consolidation, (ii) the Special Committee finds nothing particularly unreasonable in the method used to estimate the total number of the Company Shares currently held by passive index funds, nor in Tender Offeror's views regarding the likelihood of exercising their voting rights in favor of the proposal relating to the Share Consolidation, and (iii) should the proposal for the Share Consolidation be disapproved at the extraordinary general meeting of shareholders, Tender Offeror intends, in principle, to acquire additional Company Shares at the same price as the Tender Offer Price, with the objective of taking the Company private as promptly as

practicable, the Special Committee is of the view that the absence of a minimum number of shares to be purchased in the Tender Offer does not give rise to issues of coerciveness.]

In light of the foregoing, it can be recognized that consideration has been given to ensure that no coercive pressure is exerted on the Company's shareholders in the Transaction, and steps have been taken to ensure the fairness of the procedures.

End